2021

Analysis of the Labour Economy

—Impact of COVID-19 on Employment and Labour—

〔 Overview 〕

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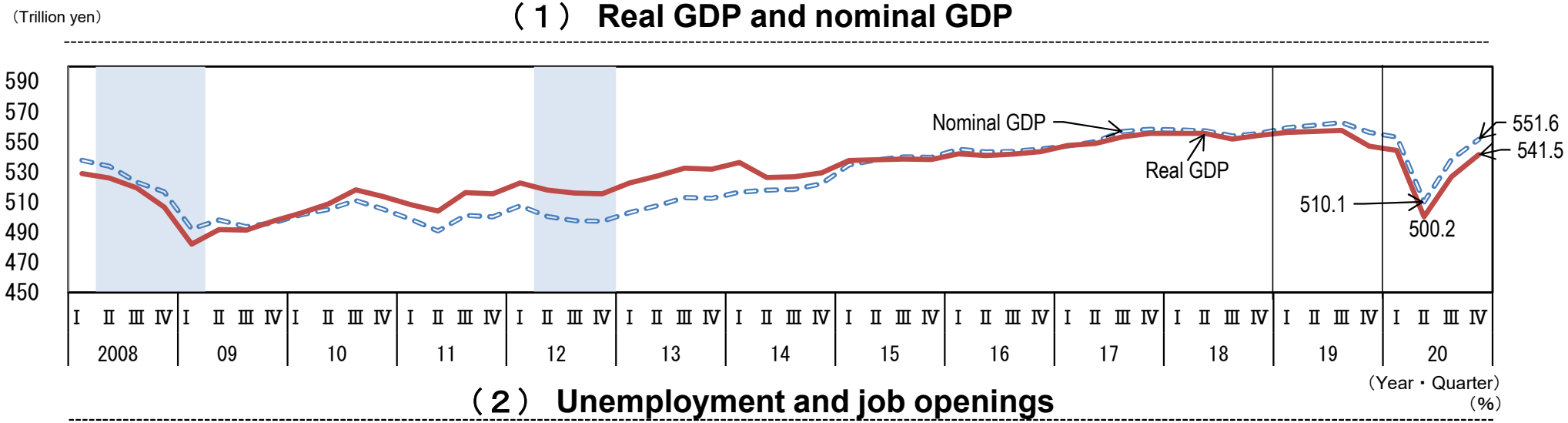
※ This report provides an analysis of the trend in the labour economy in 2019 and 2020 since the Ministry of Health, Labour and Welfare did not release the 2020 analysis in light of the significant impact of the COVID-19 pandemic on the labour economy.

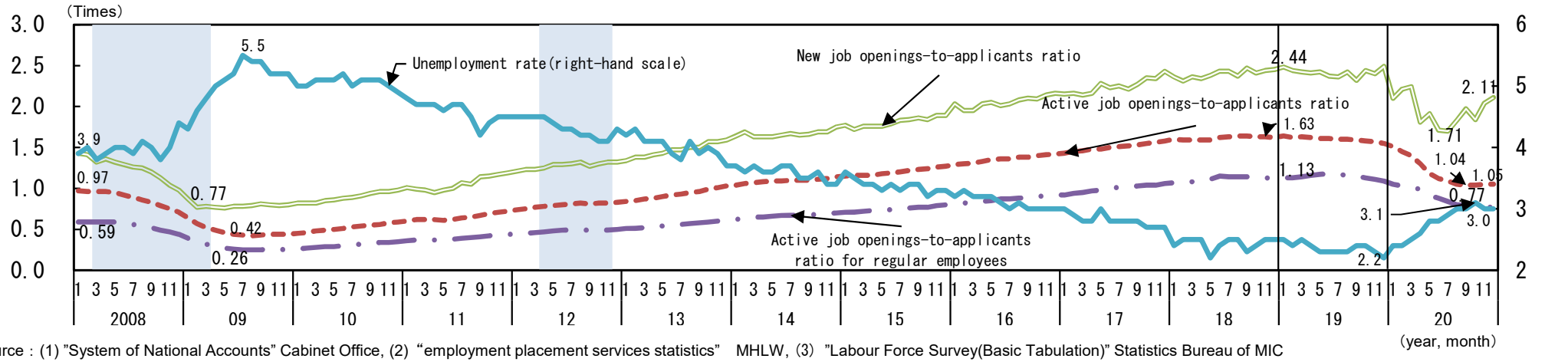
I Overview: Economy and Employment in 2019 and 2020

- Japan's economy grew steadily until the third quarter of 2019. However, due to the outbreak of COVID-19, real GDP contracted 8.1% and nominal GDP fell 7.8% in the second quarter of 2020 from the previous quarter.
- The active job openings-to-applicants ratio, the new job openings-to-applicants ratio and the active job openings-to-applicants ratio for regular employees had trended upward in the long term, but in 2019, the active job openings-to-applicants ratio declined slightly, though remained quite high. The new job openings-to-applicants ratio and the active job openings-to-applicants ratio for regular employees remained unchanged in 2019.
- The unemployment rate started rising at the beginning of 2020 to go as high as 3.1% in October 2020 after its long-term decline.

(1) Real GDP and nominal GDP



(2) Unemployment and job openings



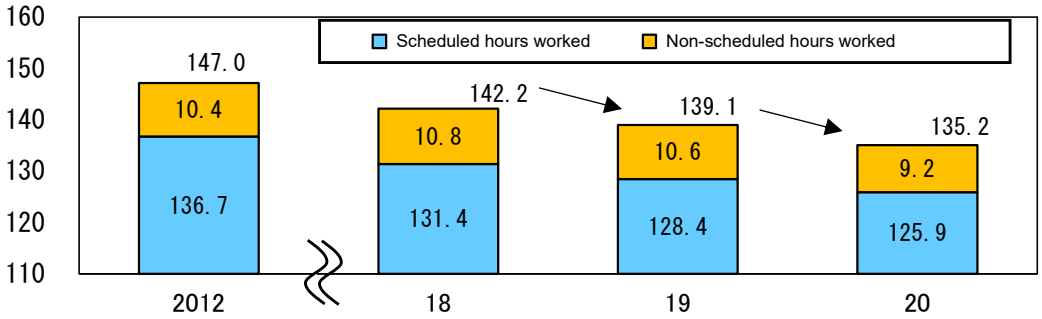
Source : (1) "System of National Accounts" Cabinet Office, (2) "employment placement services statistics" MHLW, (3) "Labour Force Survey(Basic Tabulation)" Statistics Bureau of MIC

(Notes) 1) Nominal and real GDP in chart 1 are both seasonally adjusted.
2) The shaded areas in chart 1 and 2 represent recessions.
3) Actual solid lines are drawn between 2018 and 2019, and 2019 and 2020 in the charts above to make the trend between 2019 and 2020 more visible.

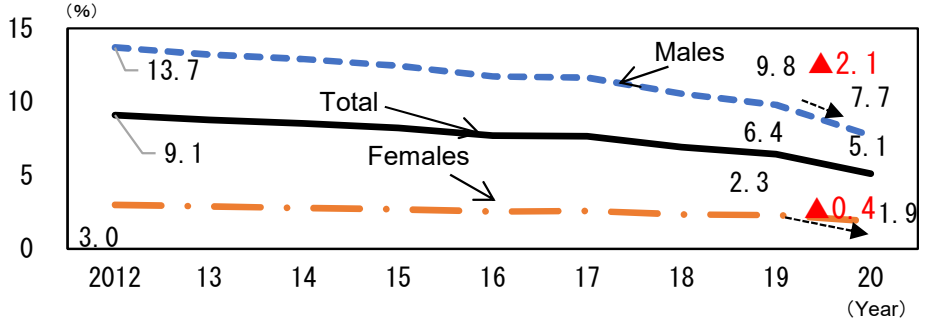
I —Impact of Work-style Reform on Hours Worked, Leave Acquisition and Wages —

- Hours worked declined significantly in 2019 and 2020 due to the work-style reform laws. It sets rules on maximum overtime hours and the acquisition of annual paid leave. The overtime cap came into force in April 2019 for large companies and in April 2020 for small and medium-sized companies, while the compulsory 5-days paid leave a year was introduced in April 2020. The percentage of employees who work 60 hours or more a week, mainly male workers, was also on the decline. The acquisition rate of paid leave rose sharply in all sizes of companies in 2019, according to a survey conducted in 2020.
- Special cash earnings of part-time workers increased in 2020 despite the negative effects of the COVID-19 outbreak on wages. The increase is attributed to the rules on equal pay for equal work (to ensure equal treatment regardless of types of employment) set by the work-style reform laws. Equal pay for equal work regulations came into effect in April 2020 for large firms and in April 2021 for small and medium-sized companies.

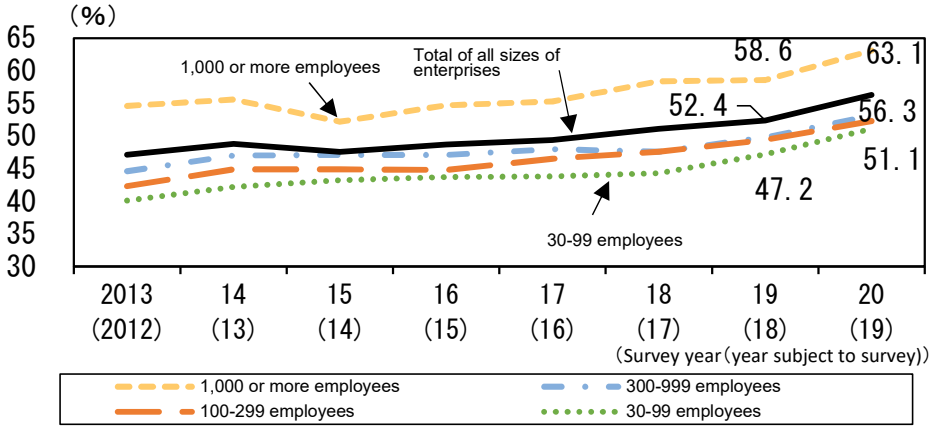
（1）Total actual hours worked per month



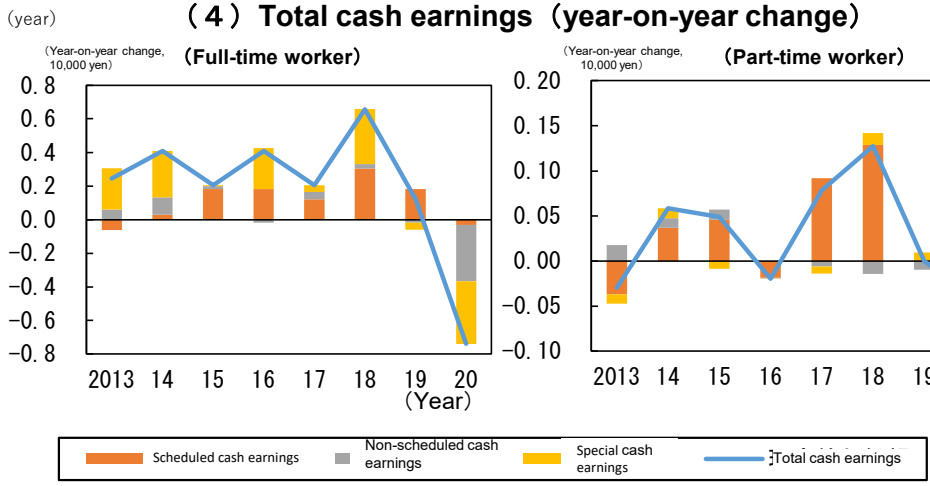
（2）Percentage of people who worked 60 hours or more per week



（3）Acquisition rate of paid leave



（4）Total cash earnings（year-on-year change）



Source: (1)(4) “Monthly Labour Survey”, MHLW, (2) ”Labour Force Survey(Detailed Tabulation)”, Statistics Bureau of MIC and (3) “General Survey on Working Conditions”, MHLW

(Notes) 1) The figures in chart 1 represent values of all industries surveyed, all types of employment and business establishments with five or more employees. The data use actual values that are comparability adjusted for time-series data. Those values are calculated by multiplying each index (the indexes of total actual hours worked, scheduled hours worked and non-scheduled hours worked) by the 2015 benchmark value and then dividing by 100.

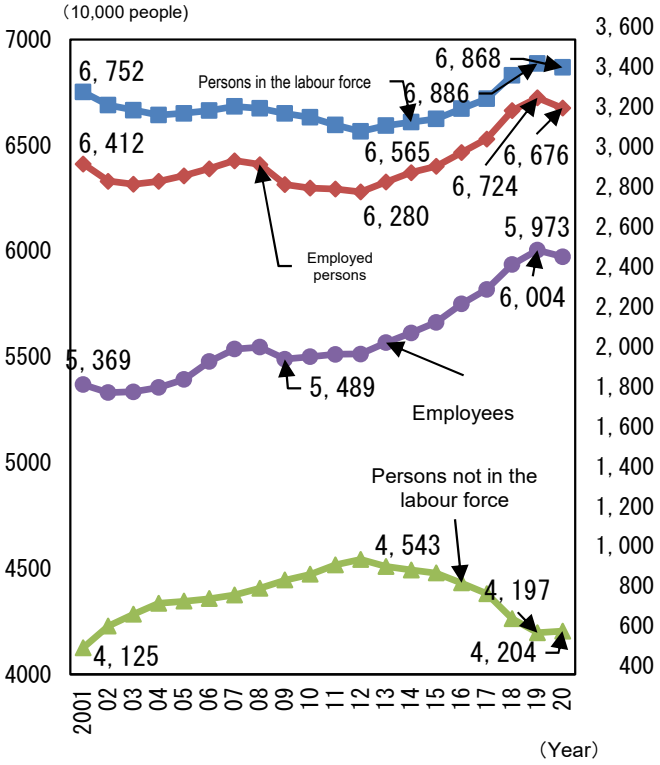
2) Chart 3 shows paid leave acquisition rates for regular employees working at private-sector firms with 30 or more regular workers. The years displayed in the chart refer to a survey year while the figures shown in the chart are aggregate acquisition rates of paid leave taken by employees in the year before the survey year. The acquisition rate= the number of days of paid leave taken by workers ÷ the number of days of paid leave granted ×100(%). The number of days of paid leave granted does not include carry-over days, and the number of days of paid leave taken by workers means the number of days that workers have actually taken.

3) The figures in chart 4 show values of all industries surveyed and business establishments with five or more employees. The data on regular employees and part-time workers use actual values that are comparability adjusted for time-series data. Those values are calculated by multiplying each index (the total cash earnings index, regular salary index and scheduled cash earnings index) by the 2015 benchmark value and then dividing by 100. Figures for non-scheduled cash earnings and special cash earnings may be different from those published in the report of the Monthly Labour Survey since the figures in the chart above are calculated as follows: non-scheduled cash earnings = regular salary (modified actual values) – scheduled cash earnings (modified actual value) and special cash earnings=total cash earnings (modified actual values)- regular salary (modified actual values).

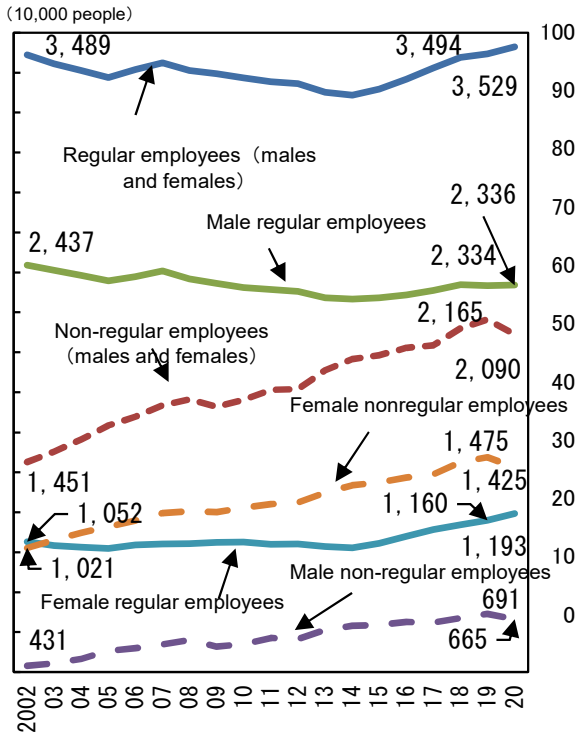
I —Trend in labour Force Participation until 2019 —

- The numbers of persons in the labour force and employed persons started to increase in 2013, and the number of employees began to rise in 2009. Those figures continued to increase until 2019. Meanwhile, the number of people who are not in the labour force started to decline in 2012 and continued to fall until 2019. The numbers of regular and non-regular employees kept rising until 2019 as labour force participation increased against the background of economic growth.
- The labour force participation rate for people aged 15 or older rose from 59.1% in 2012 to 62.0% in 2020. This suggests a growing number of people joined the labour force. The increase was significant, in particular, for males and females aged 60 or older. In 2020, the rate for 60-64-year-olds was 73.1 %, and 51.0% for 65-69-year-olds.

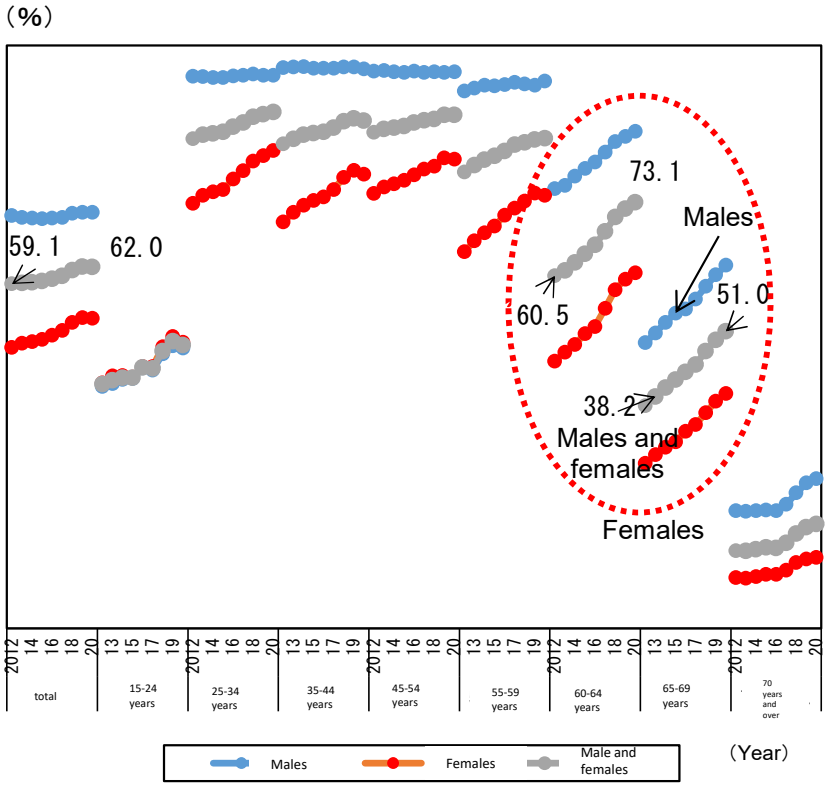
（1）Persons in the labour force, employed persons, persons not in the labour force



（2）Number of employees by gender and type of employment



（3）Labour force participation rate by gender and age group



Source:(1)(3)"Labour Force Survey(Basic Tabulation)" Statistics Bureau of MIC,(2)"Labour Force Survey(Detailed Tabulation)" Statistics Bureau of MIC

（Notes） 1) The figures for 2011 in chart 1 are supplementary-estimated figures (new benchmark) since the survey results for the entire country are not available due to the aftermath of the Great East Japan Earthquake and tsunami. The earthquake and tsunami hit Japan's northeastern region in March 2011.

2) The figures for non-regular employees until 2008 in chart 2 are the total number of part-time workers, temporary workers, dispatched workers from staffing agencies, contract employees, rehired employees and others. This is because the term "non-regular employees" is newly added to display the figures in and after 2009.

3) The data on the numbers of regular and non-regular workers for 2011 in chart 2 are supplementary-estimated figures since the survey results for the entire country are not available due to the aftermath of the Great East Japan Earthquake and tsunami that hit northeastern Japan in that year.

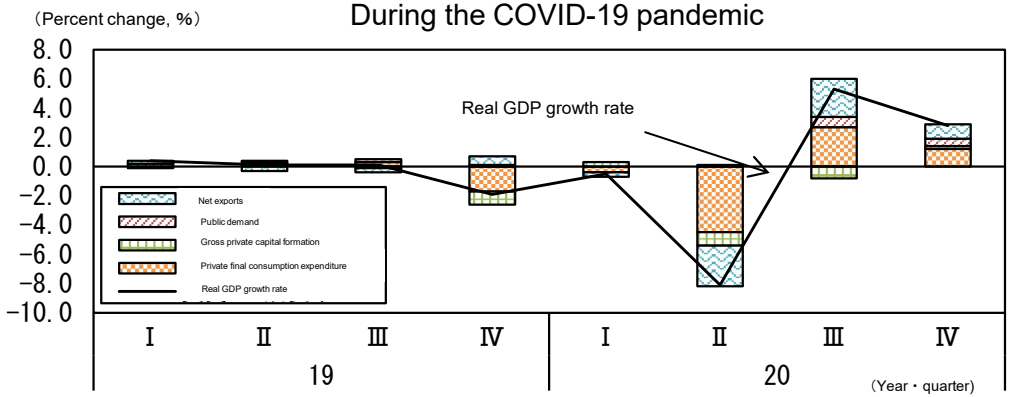
4) Calculation of the labour force participation rate in chart 3=labour force population ÷ population age 15 and older × 100

Ⅱ－1－(1) Impact of COVID-19 on Employment and Labour Overview of the Impact of COVID-19 Pandemic —Situation in the Entire Labour Market Economic Trend (1) —

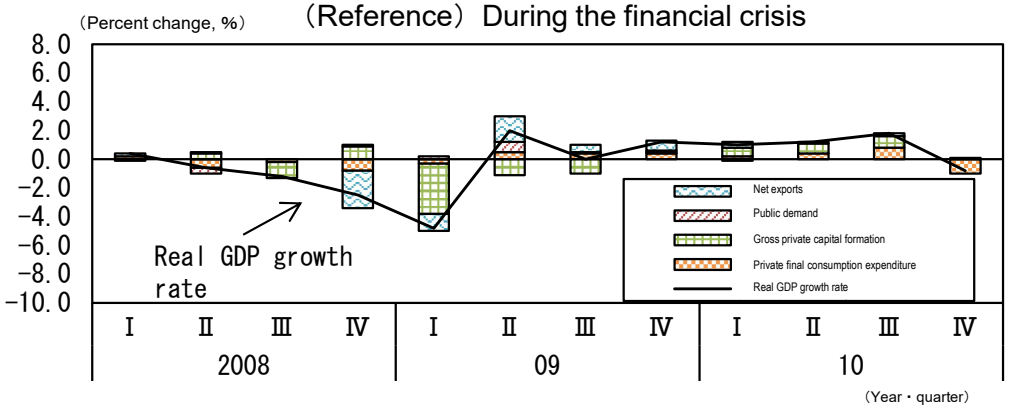
- Japan's gross domestic product contracted significantly in the second quarter of 2020 as consumer spending fell and exports dropped due to the impact of the pandemic. GDP decreased in the second quarter by 8.1% in real terms and 7.8% in nominal terms from the previous quarter.
- The industrial production index and the tertiary industry activity index dropped markedly in April and May 2020. The declines in the tertiary industry activity index and the index of total industrial activity during the COVID-19 pandemic are larger than those during the financial crisis.

(1) Real GDP growth rate and contribution

During the COVID-19 pandemic

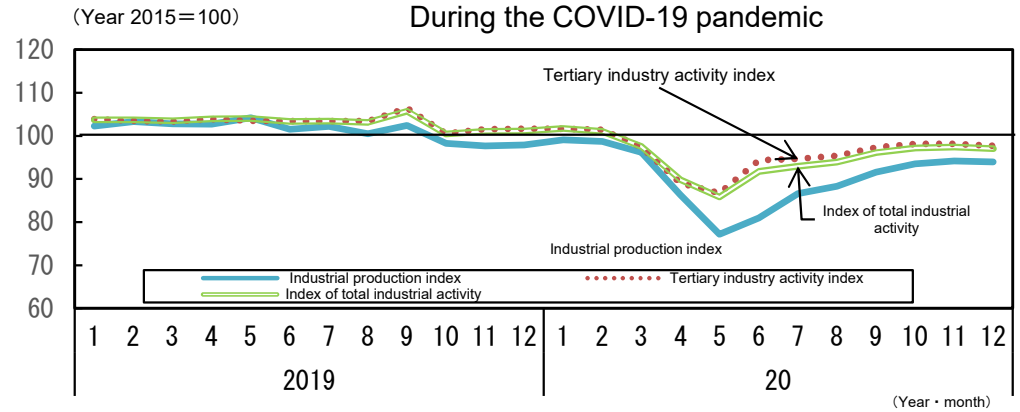


(Reference) During the financial crisis

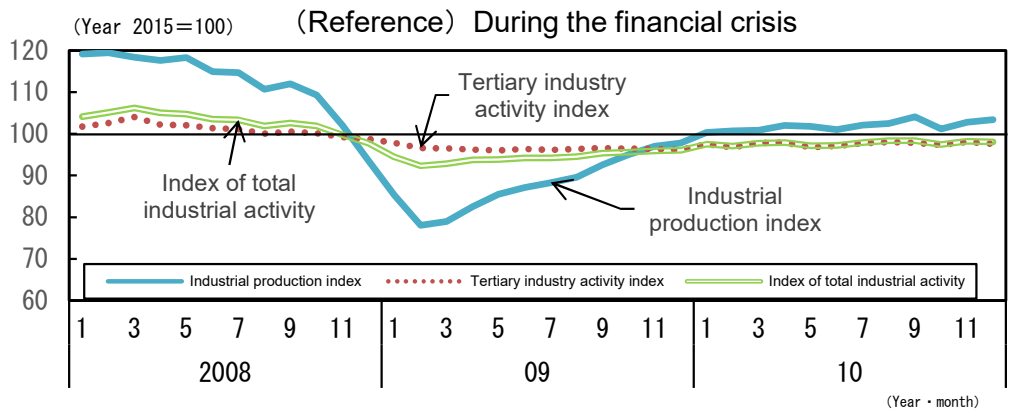


(2) The industrial production index and the tertiary industry activity index

During the COVID-19 pandemic



(Reference) During the financial crisis



Source: (1)"System of National Accounts" Cabinet Office ,(2)" Indices of Industrial Production"" Indices of Tertiary Industry Activity"" Indices of All Industry Activity" Ministry of Economy, Trade and Industry

(Notes) 1) Chart 1: net exports= values of total exports – value of total imports, and gross private capital formation= private sector housing+ private sector business assets + equipment changes in inventories

2) In the contribution analysis in chart 1, the sum of contributions by demand category does not always match growth in gross domestic expenditure.

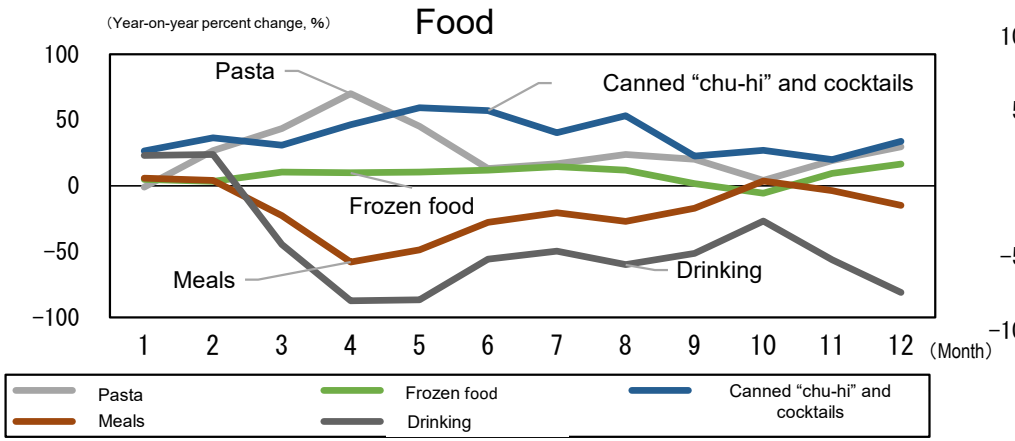
3) The data in chart 2 are seasonally adjusted. To calculate the index of total industrial activity, the index of 100 representing the level in 2010 is converted into the index of 100 representing the level in 2015 (Jan.-Dec.)

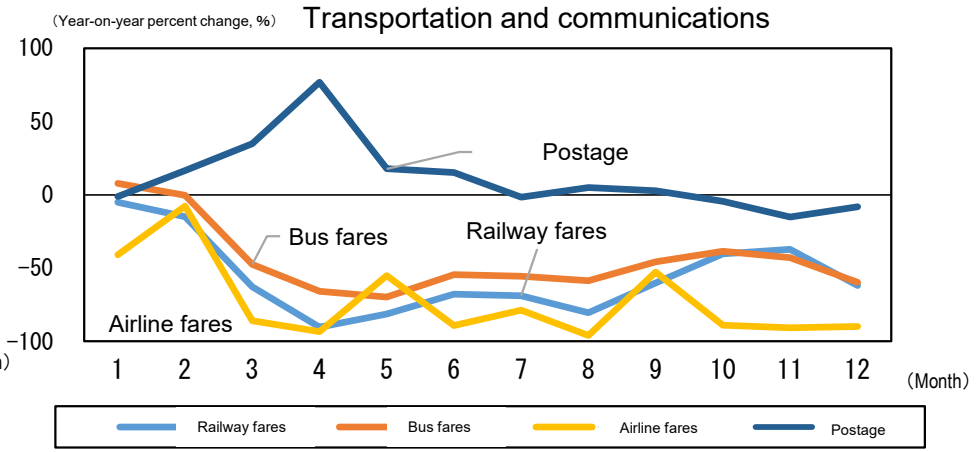
4) The index of total industrial activity in chart 2 was published until July 2020. The data in and after August 2020 show estimated figures that are extrapolated from the rates of change of a composite index that is created based on the industrial production index and the tertiary industry activity index.

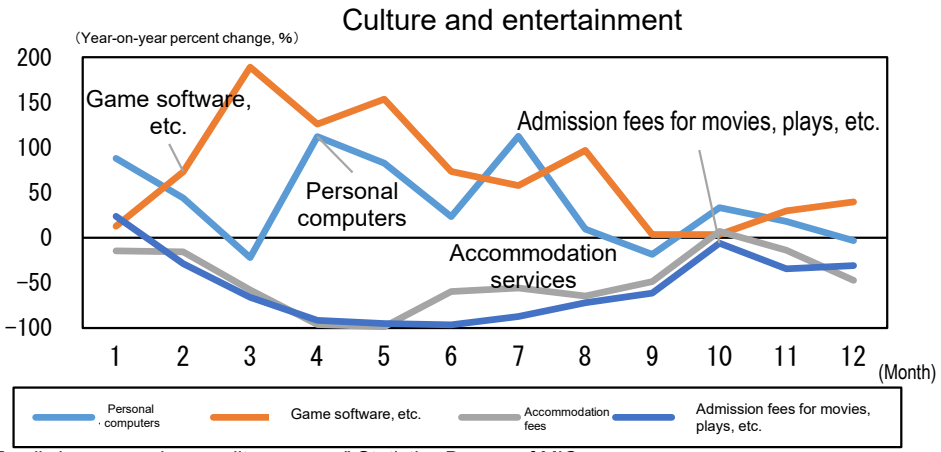
－Overall Situation: Employment and Work　Economic Trend (2)－

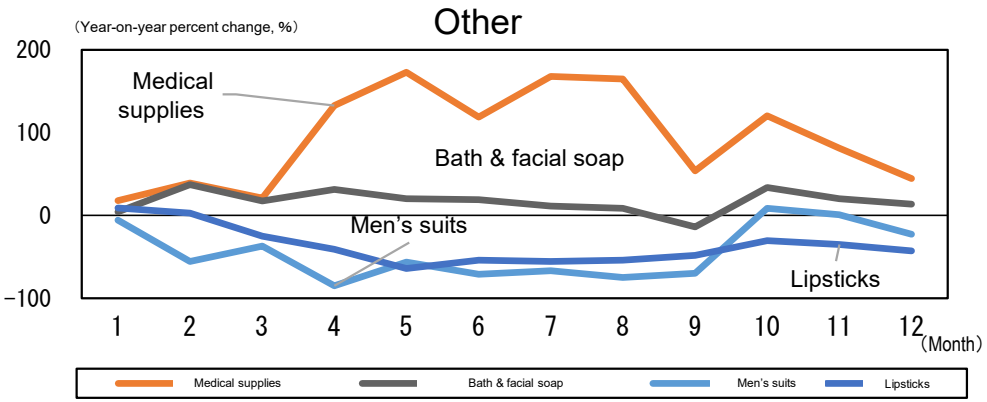
- Household consumption tumbled from March through May 2020 as people avoided going out, in order to prevent the further spread of infection. The largest changes in consumption in 2020 were seen in the following categories: food, transportation and communications, culture and entertainment and others. In the expenditure category of food, spending on dining at restaurants and bars declined, while in the category of transportation and communications, spending on airline and train fares was down. Expenditures on admission tickets for movies and stage performances in the culture and entertainment category also declined. What's more, spending on items such as lip sticks and suits in the other category, products people rarely use while staying at home, also fell.
- Meanwhile, measures related to COVID-19 and stay-home policies boosted spending on some items for household consumption in the expenditure category of food such as pasta and alcoholic beverages including canned "chu-hi" and cocktails. Spending on computers in the expenditure category of culture and entertainment and spending on medical supplies in the expenditure category of other also increased.
- The impact of the pandemic on employment and labour by industry, the topic discussed later in this report, reflects those changes in household spending.

Items greatly affected by changes in consumer behavior in 2020









Source:" Family income and expenditure survey" Statistics Bureau of MIC

(Notes)　1) Workers' households with two or more persons are subject to the survey.

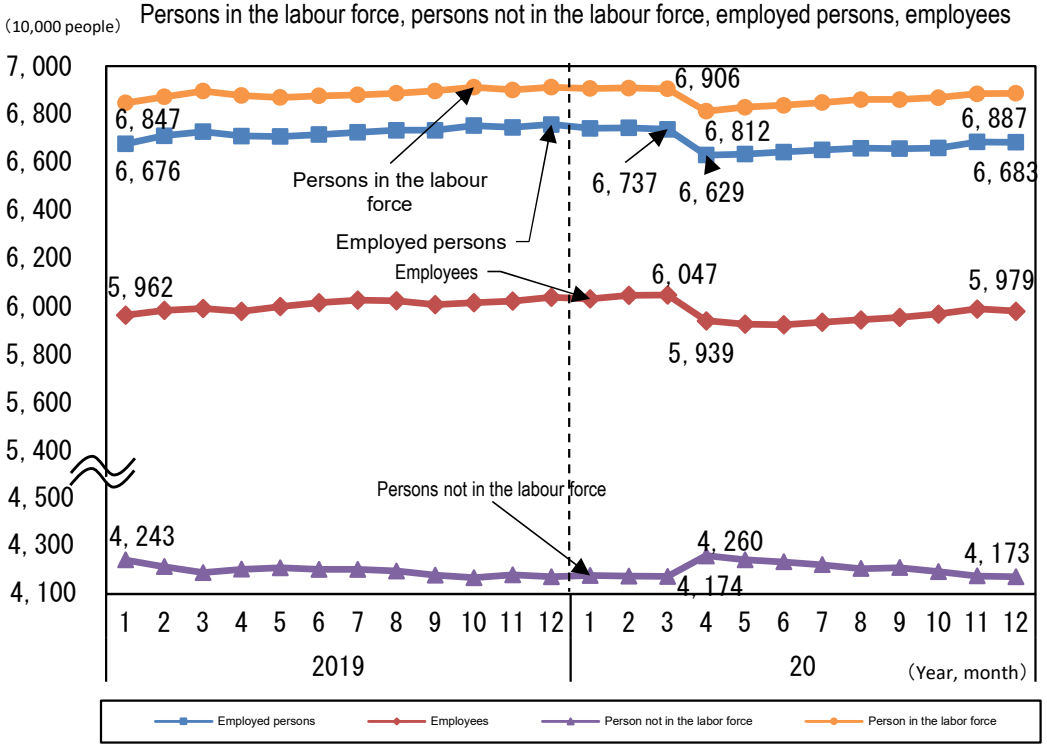
2) Expense items shown above are those that exhibited year-on-year declines or increases for both April and May.

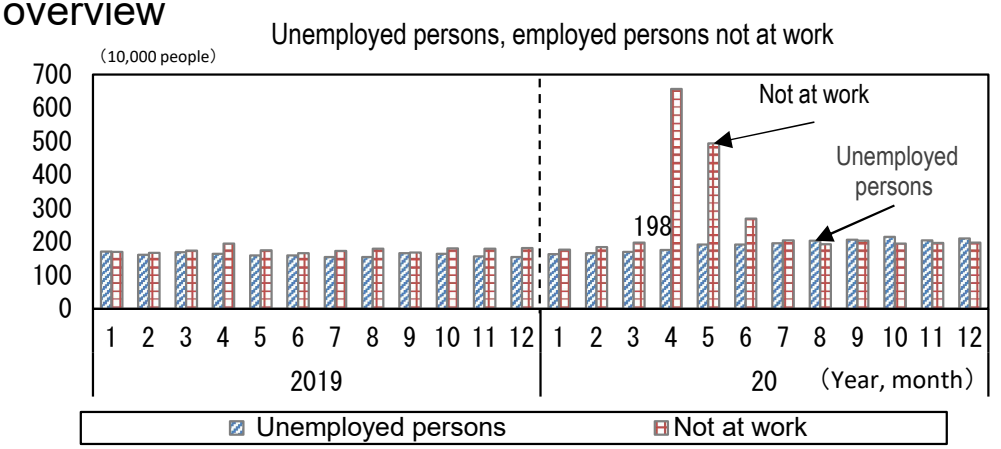
3) Percent changes in household expenditures and incomes (workers' households only).

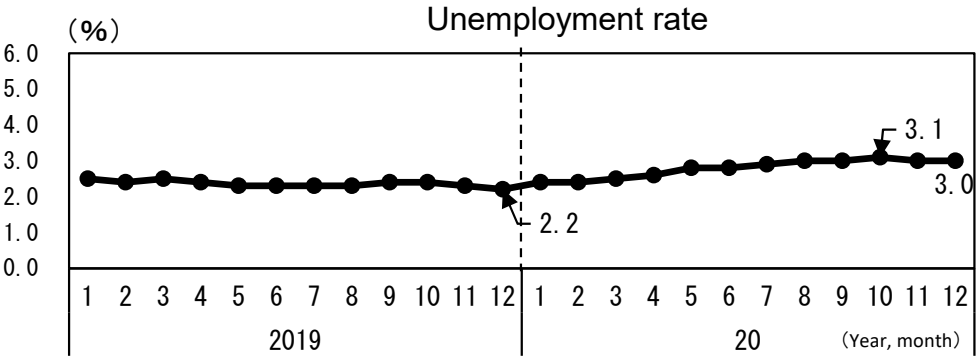
Ⅱ－1－(1)　－Overall Situation in the labour Market　Employment Trend (1)

- In April 2020, the numbers of employed persons and employees both declined by about 1 million as measures against COVID-19 limited economic activities. The figures then climbed slightly, but failed to return to the pre-pandemic levels by the end of 2020. Meanwhile, the number of persons not in the labour force increased significantly by about 1 million in April 2020 and declined moderately to the pre-pandemic level by the end of 2020.
- The number of employed person not at work surged by 4.2 million in April 2020 from the same month in 2019. It began to decline in May, and continued to fall through August, then almost leveled. The number of employed person not at work was up about 140,000 in August 2020 from a year earlier.
- The numbers of employed persons and employees declined. However, the figure for unemployed persons increased moderately, while the unemployment rate rose slowly to reach 3.1% in October.

Workforce overview







Source: "Family income and expenditure survey" Statistics Bureau of MIC

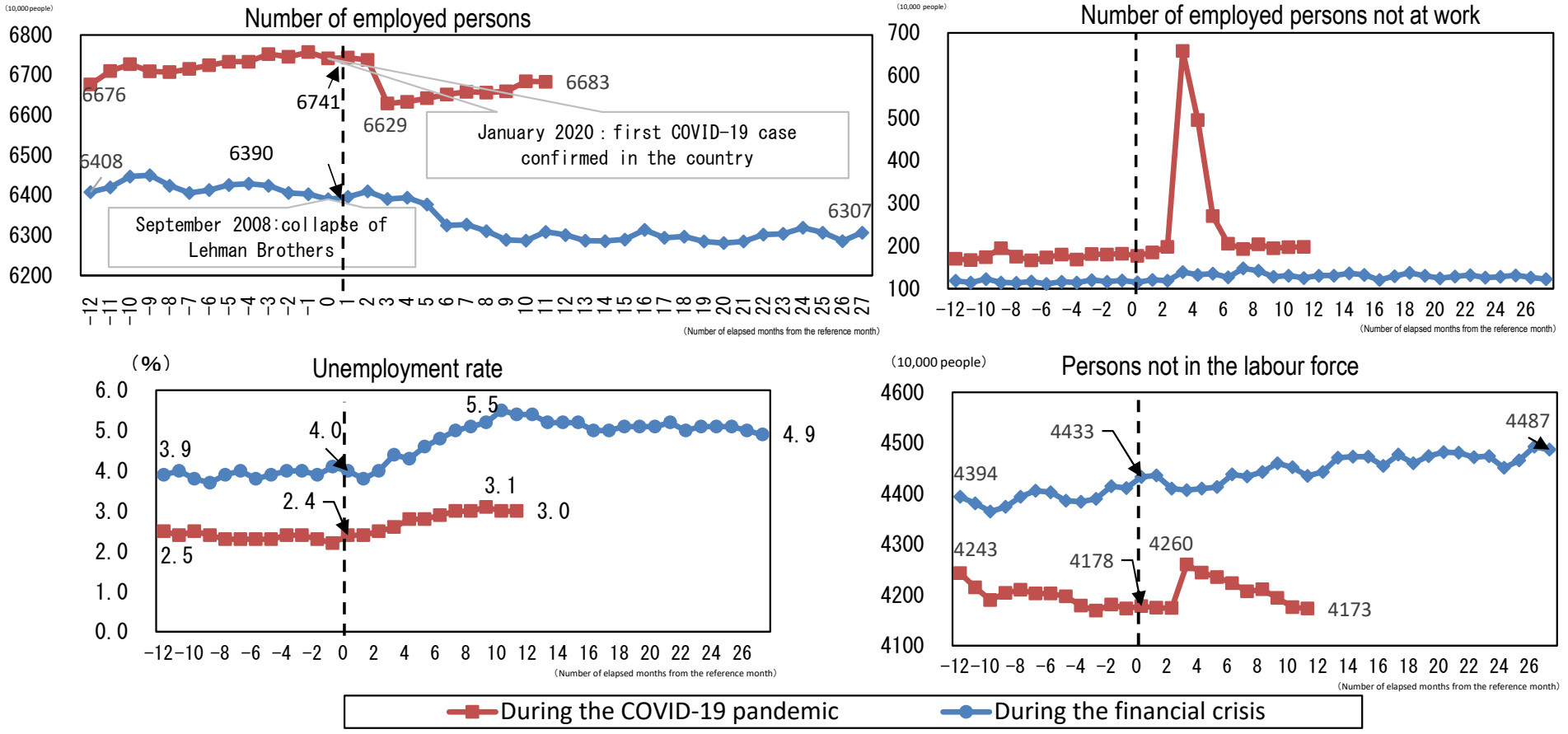
(Note) Among people who were absent from work during the last week of a month, those classified as 'employed persons not at work' in the labour force survey are:

- employees who get paid or are expected to get paid while being not at work
- self-employed persons who have temporarily closed their businesses for less than 30 days

－Overall Situation in the labour Market Employment Trend (2)－

- More people were employed before the pandemic than before the financial crisis. The number of employed persons fell by 1.08 million in April 2020 from the previous month. The decline was almost at the same level that Japan had experienced during the financial crisis.
- The number of employed person not at work increased more rapidly in April 2020 than during the financial crisis, although it started plunging in May.
- The unemployment rate before the pandemic was lower than that during the financial crisis, but it began rising as COVID-19 spread across the country. Still, the increase was smaller than that seen during the financial crisis, and the maximum unemployment rate remained at 3.1% in 2020, which was lower than that during the financial crisis.
- The number of persons not in the labour force was at a lower level before the pandemic than during the financial crisis. It soared by 860,000 in April 2020 from the previous month but retuned to a pre-pandemic level within a year. The figure throughout the survey period in 2020 remained lower than that during the financial crisis.

Comparison of levels of indicators concerning employment status

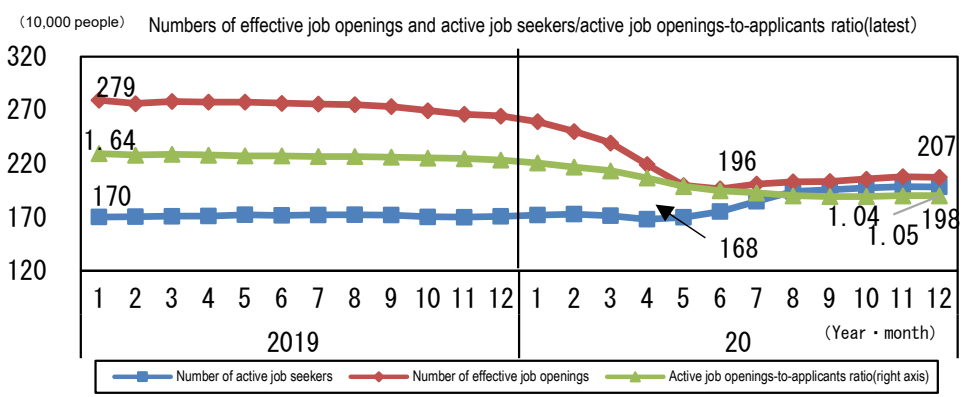


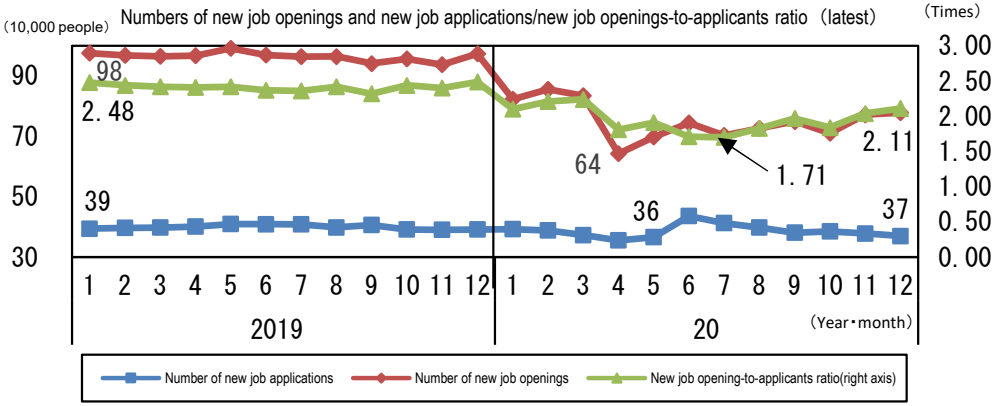
Source:"Labour Force Survey(Basic Tabulation)", MIC
(Note) The data in the chart are seasonally adjusted. The seasonally adjusted values calculated by the MHLW are used for the number of employed persons not at work.

－Overall Situation in the labour Market　Employment Trend (3)－

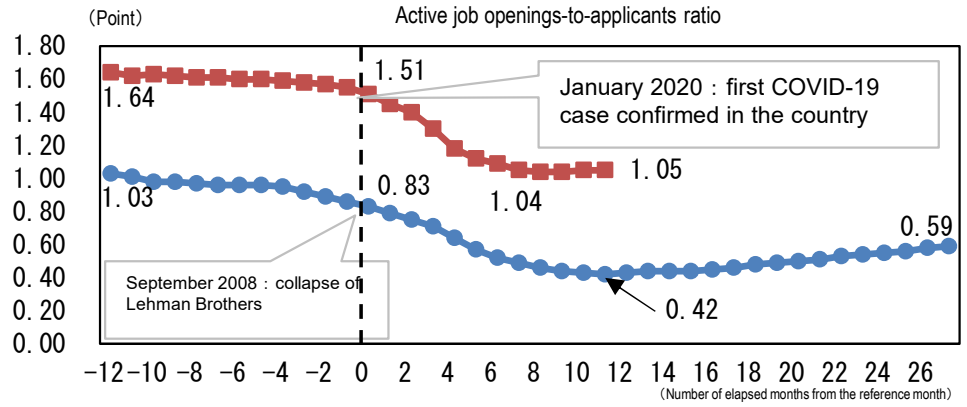
- The number of active job openings decreased between April and May 2020, and the number of new job openings declined, mostly in April. The both figures then increased, though slowly. The number of active job seekers began to trend upward around the middle of the year, then remained almost flat thereafter while the number of new job applications started trending downward moderately in July.
- The active job openings-to-applicants ratio remained almost unchanged after it fell to 1.04 in September. The new job openings-to-applicants ratio hit the bottom in July, then began trending upward.
- The active job openings-to-applicants ratio and the new job openings-to-applicants ratio were higher before the pandemic than during the financial crisis. Although the figures dropped sharply due to the impact of the pandemic, they were still above the financial-crisis levels.

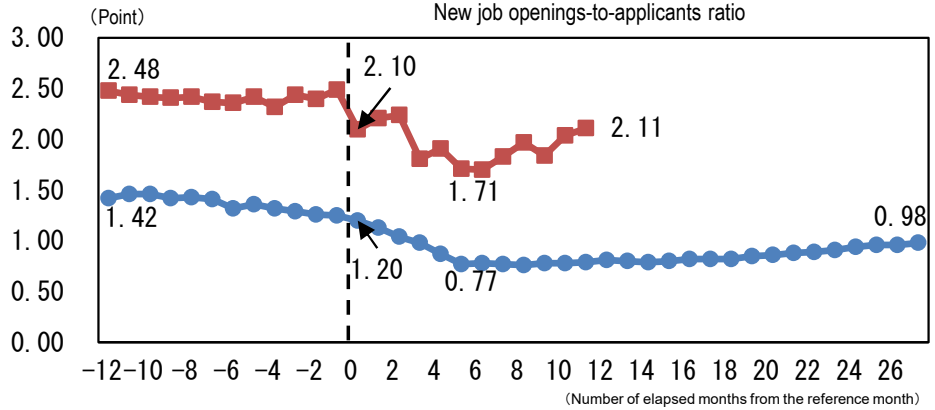
（１）Leading indicators concerning job openings and job applications（2019 - 2020）





（２）Comparison of levels of leading indicators concerning job openings and job applications





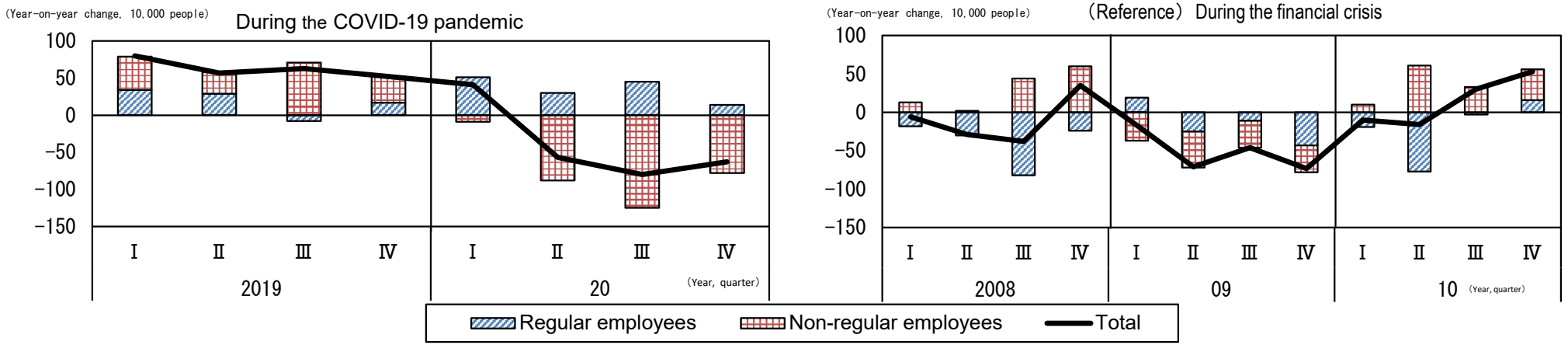
During the COVID-19 pandemic　During the financial crisis

Source: “Employment placement services statistics”,　MHLW
(Note) The data are seasonally adjusted.

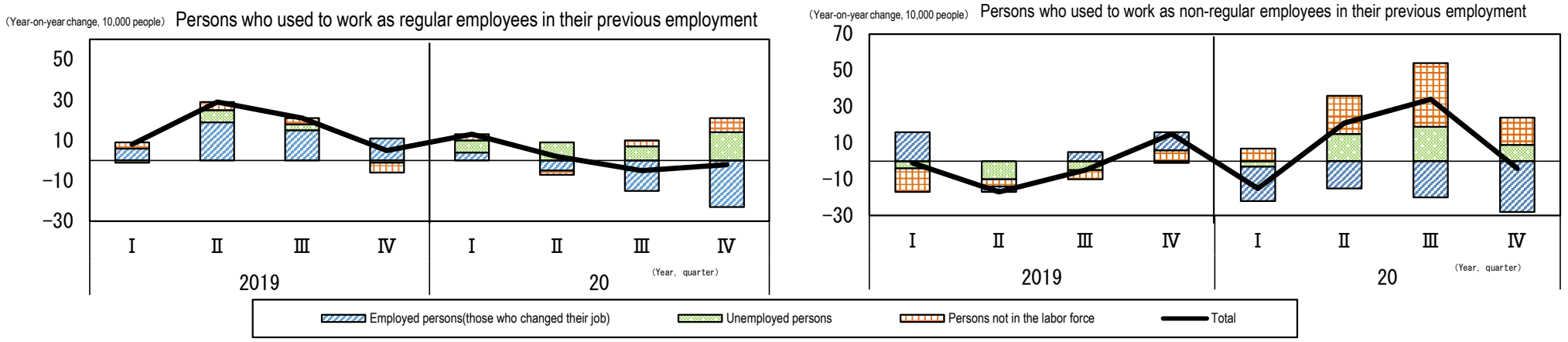
Ⅱ－1－(1) —Overall Situation in the labour Market Employment Trend (4)—

- According to the data below, the number of regular employees continued to increase throughout 2020, while the figure for non-regular workers fell sharply. Unlike the trend seen in 2020, the numbers of regular and non-regular workers declined on a year-on-year basis during the financial crisis.
- Fewer people found new employment in 2020 after quitting a job, regardless of whether they had been hired as regular employees or non-regular workers. A growing number of job leavers who used to work as non-regular employees either became unemployed or fell in the category of “not in the labour force” and the number people who had worked as regular employees but became unemployed also increased.

(1) Number of employees by type of employment



(2) Employment status by type of employment in the previous job (persons who left their job within the past year)

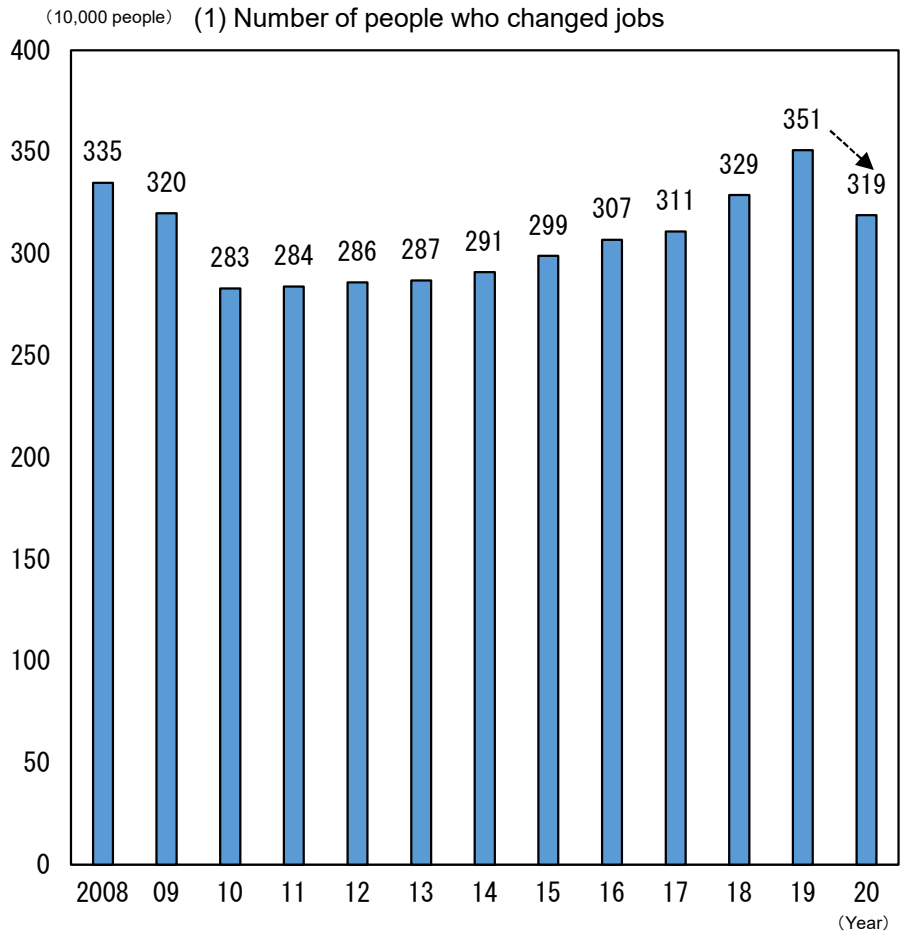


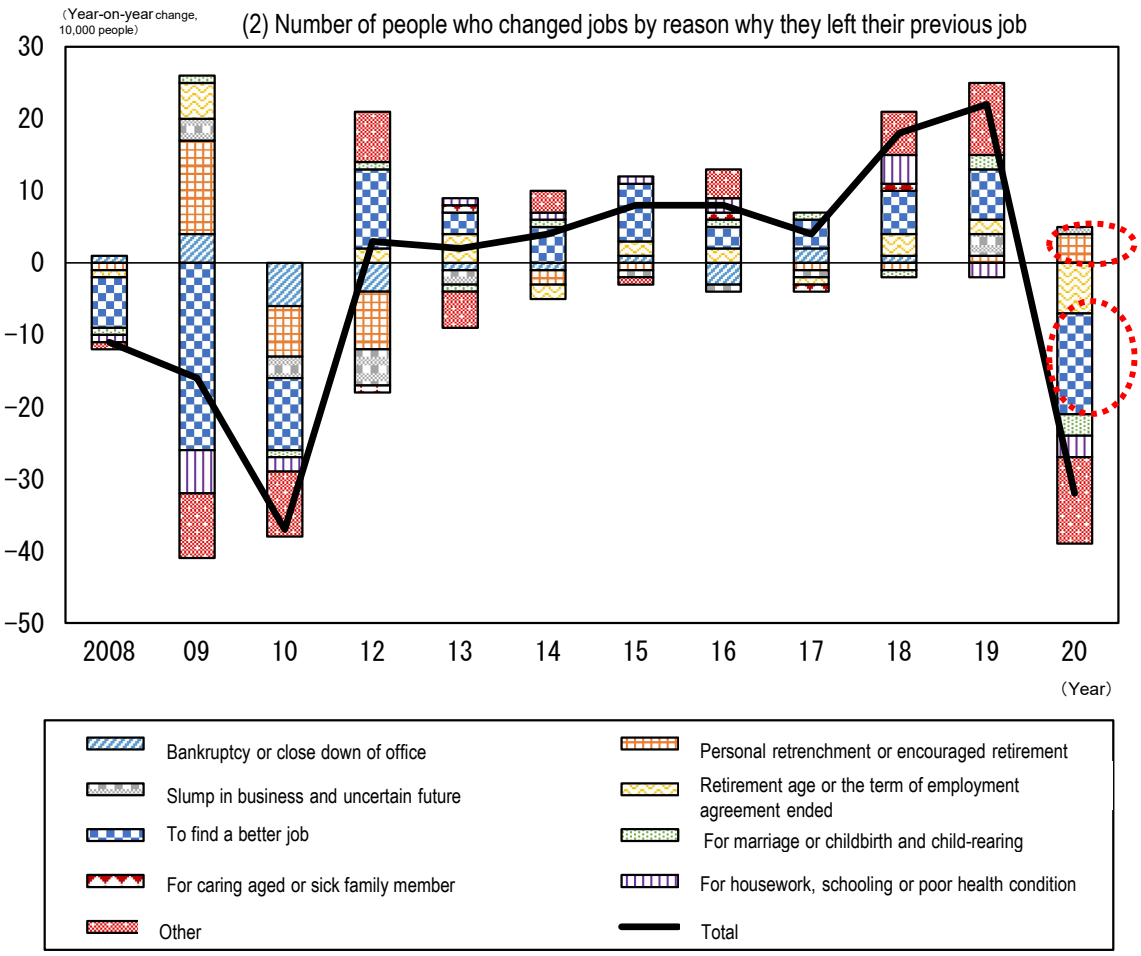
Source: “Labour Force Survey (Detailed Tabulation)”, MIC

(Notes) 1) Executives are not included in the total number of employees.
2) Not seasonally adjusted data

Ⅱ－1－(1) —Overall Situation in the labour Market （Trend in People Who Changed Jobs） —

- The number of people who changed their jobs (those who left employment within the past year dropped significantly to 320,000 in 2020 due to the impact of the COVID-19 pandemic. That's the first decline in ten 10 years.
- The number of people who moved to another job after quitting work for such reasons as personnel restructuring and encouraged retirement increased in 2020 compared with the previous year, while the number of those who switched their jobs to find a better job declined significantly in 2020 from a year earlier.





Source: "Labour Force Survey (Detailed Tabulation)", MIC

(Note) 1) People who changed jobs refer to those who quit a job at any point in the past year and are now employed.

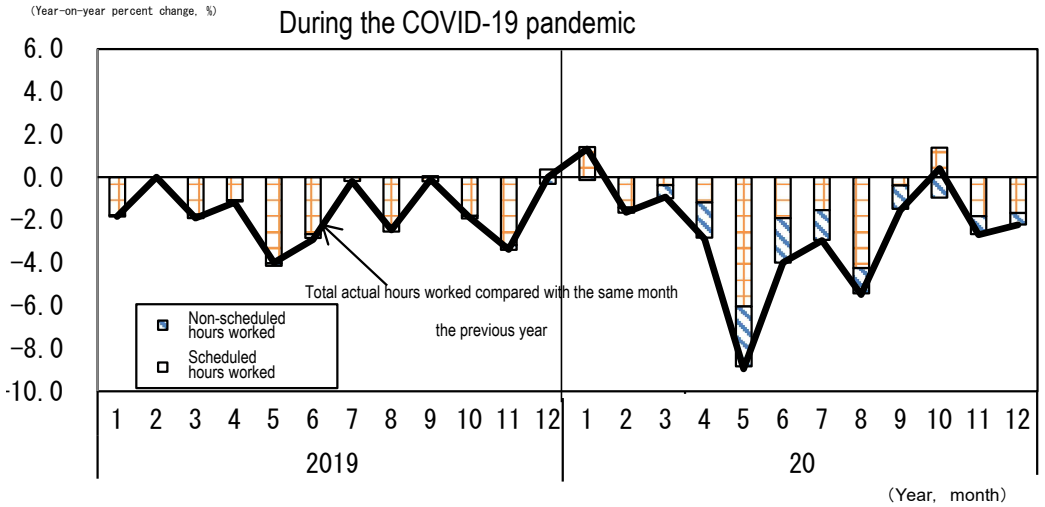
2) The number of people who changed jobs in chart 1 is the comparability adjusted time-series data. The figures for 2011 are supplementary estimated figures (new benchmark) since the survey results for the entire country are not available due to the aftermath of the Great East Japan Earthquake and tsunami.

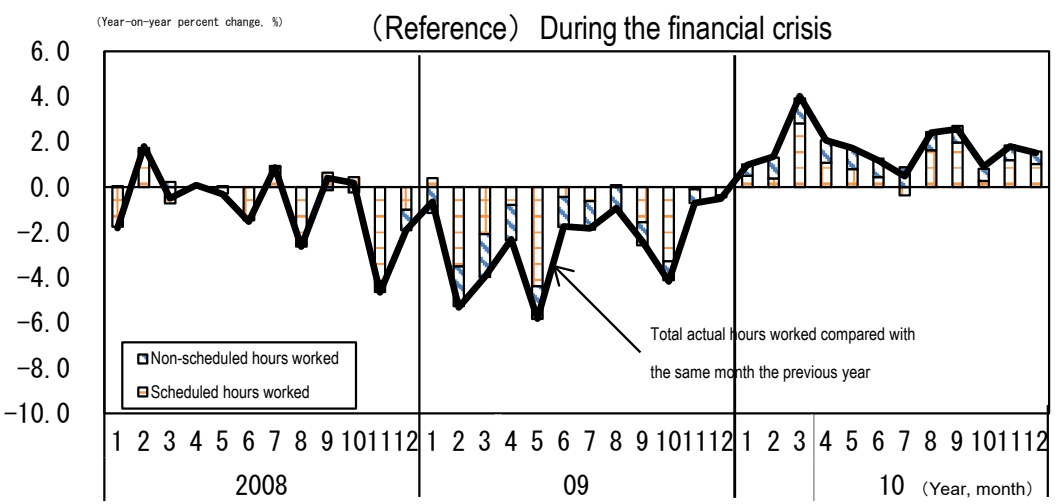
3) The figure for 2012 in chart 2 represents the difference in figures between 2010 and 2012 because the data for 2011 are not available.

－Hours worked and Wages（Hours Worked）－

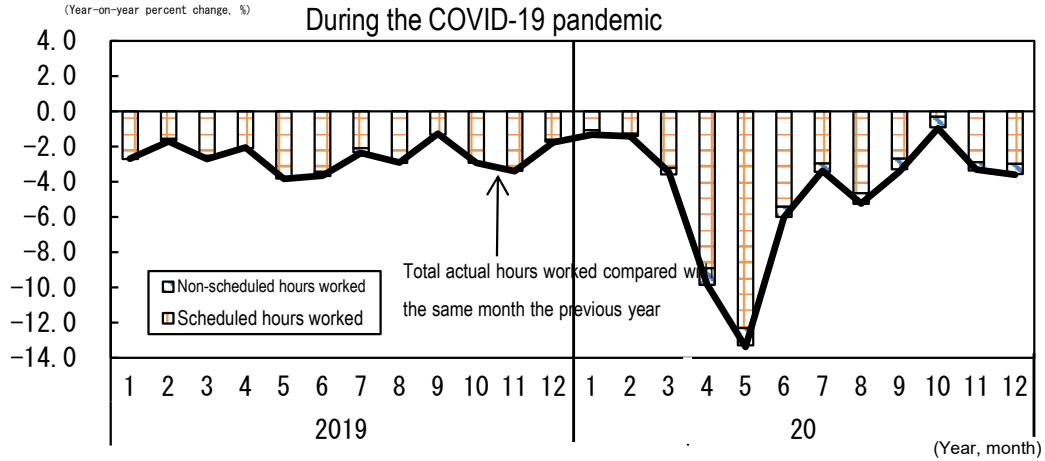
- The total actual hours worked by full-time workers declined steeply in May 2020 by 9.0% from the same month of the previous year due to reductions in scheduled and non-scheduled hours worked. In May 2020, the total actual hours worked by part-time workers fell sharply by 13.4% from the same month of the previous year mainly due to a decrease in scheduled hours worked. In both cases, the decline was greater, although temporarily, than the decline during financial crisis. Part-timers in particular experienced a large drop in hours worked.

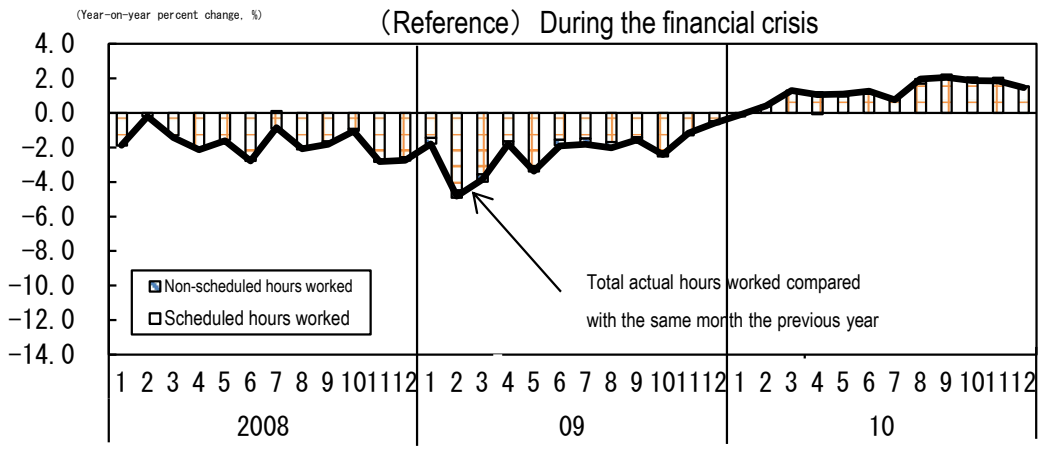
（１） Factors affecting fluctuations in total actual hours worked by full-time workers





（２） Factors affecting fluctuations in total actual hours worked by part-time workers





Source: “Monthly Labour Survey”, MHLW

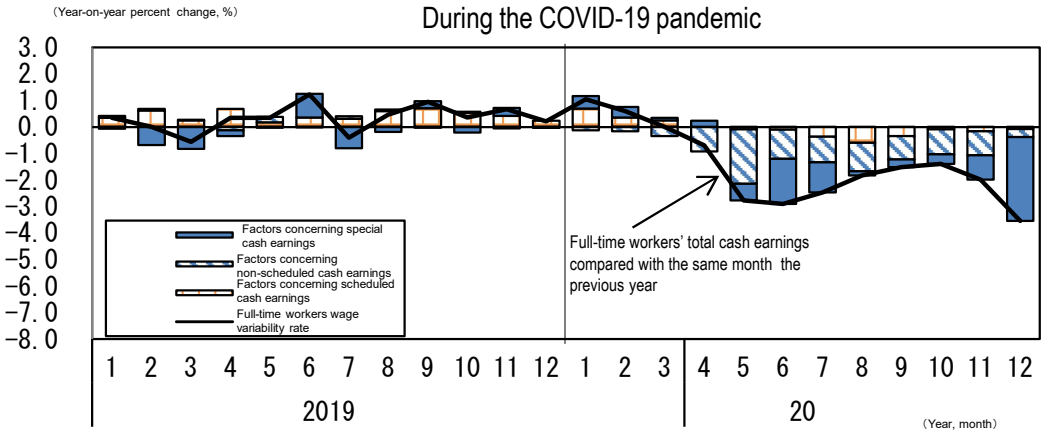
（Note） 1) The figures in the charts represent values of all industries surveyed and business establishments with five or more employees.

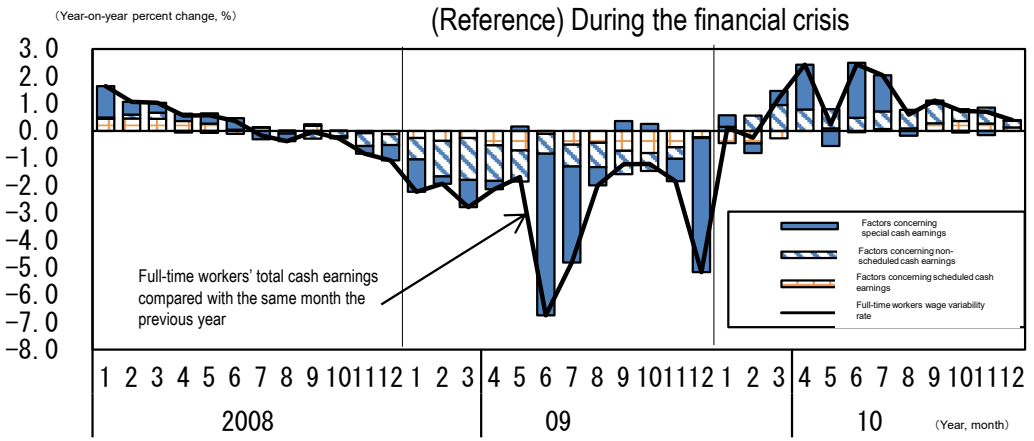
2) The data on regular employees and part-time workers use actual values that are comparability adjusted for time-series data. Those values are calculated by multiplying each index (the indexes of total actual hours worked, scheduled hours worked and non-scheduled hours worked) by the 2015 benchmark value and then dividing by 100.

－Hours Worked and Wages（Wage）－

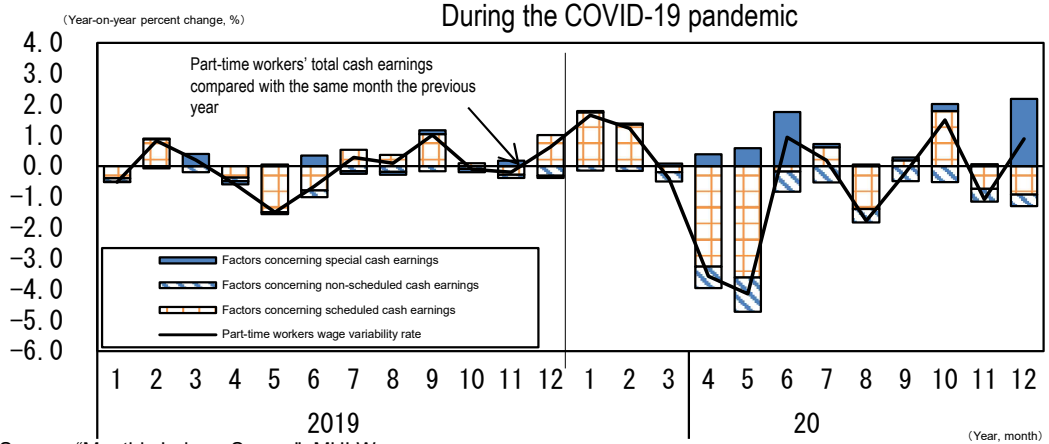
- Nominal wages for full-time employees began to fall in April 2020 due to decreases in non-scheduled cash earnings and special cash earnings. However, the overall decline is smaller than that seen during the financial crisis.
- Nominal wages for part-timers dropped sharply in April and May 2020, when Japan was under a state of emergency: 3.6 % year-on year in April and 4.1% in May. Meanwhile, the wages grew in June and December 2020 compared with the same months the previous year. A possible reason for the growth is that special cash earnings increased as equal pay for equal work regulations came into effect for large companies in April 2020 under the work-style reform legislation. The legislation also requires businesses to eliminate irrational gaps in the treatment between regular employees and non-regular workers.

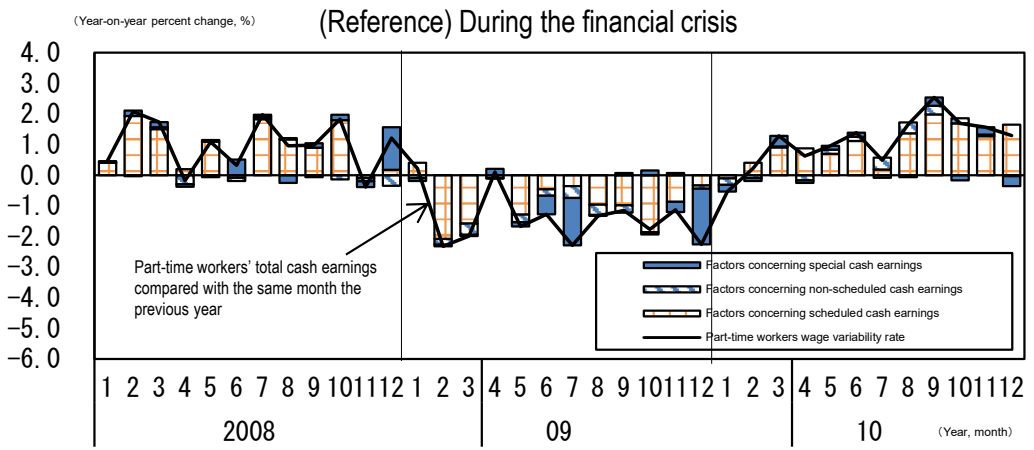
（１） Factors affecting fluctuations in full-time workers' total cash earnings(nominal)





（２） Factors affecting fluctuations in part-time workers' total cash earnings(nominal)





Source: "Monthly Labour Survey", MHLW

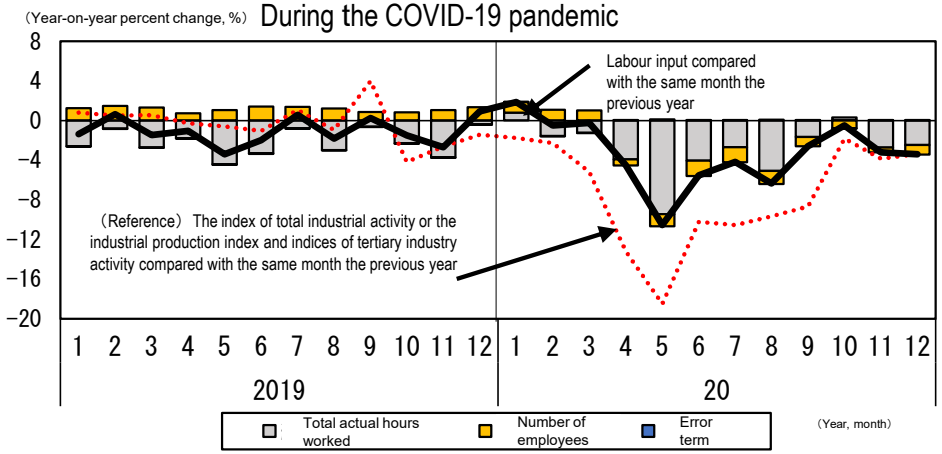
(Notes) 1) The figures in the charts represent values of all industries surveyed and business establishments with five or more employees.

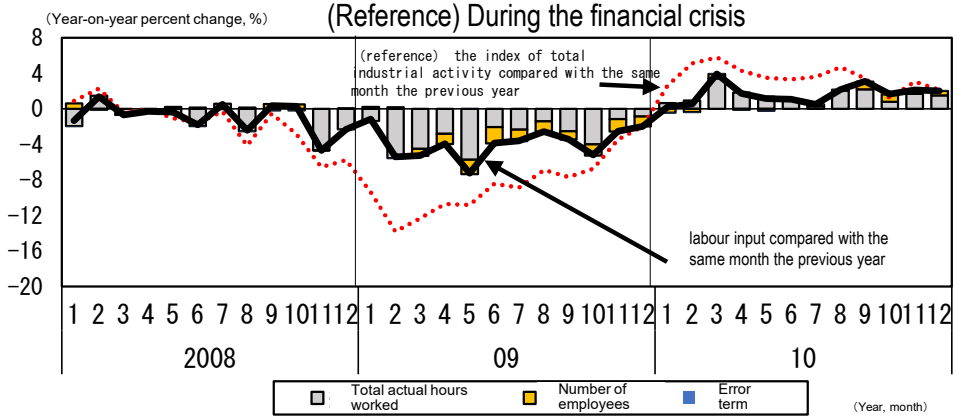
2) The data on regular employees and part-time worker use actual values that are comparability adjusted for time-series data. Those values are calculated by multiplying each index (the total cash earnings index, regular salary index and scheduled cash earnings index) by the 2015 benchmark value and then dividing by 100. The data on non-scheduled cash earnings and special cash earnings are partly different from the figures released in the monthly labour survey report. The calculation methods for the both figures in the charts above are as follows: non-scheduled cash earnings=regular salary (modified actual values) - scheduled cash earnings (modified actual values) and special cash earnings=total cash earnings (modified cash earnings - regular salary (modified actual values).

Ⅱ－1－（1） ― Hours Worked and Wages （labour Input and Wage Income of Employees） ―

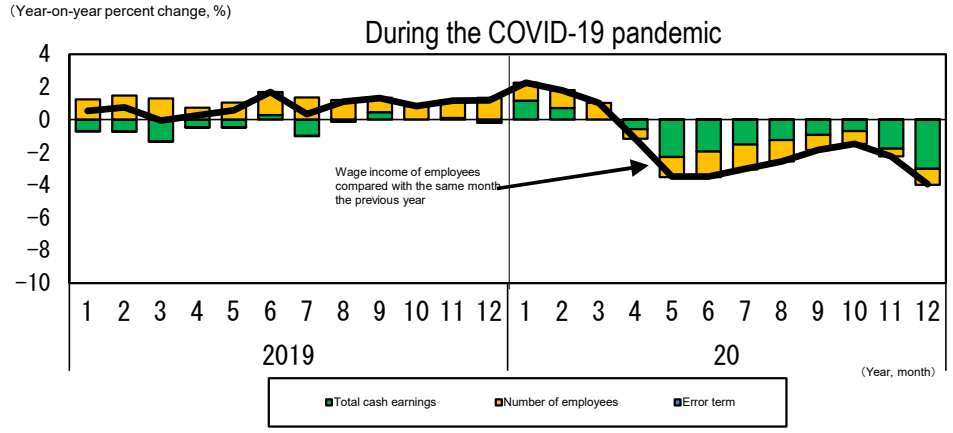
- The labour input (the number of employees × hours worked per employee） declined steeply in May 2020 and was still below the previous year's level in December. The decline in May 2020 was larger than the decline in May 2009, the biggest drop during the financial crisis.
- The decrease in the compensation of employees (the number of employees × the amount of wage per employee) during the pandemic is smaller than that during the financial crisis.
- The trend suggests that companies' efforts to maintain wages and employment as well as measures taken by the government to support such firms have had a positive impact.

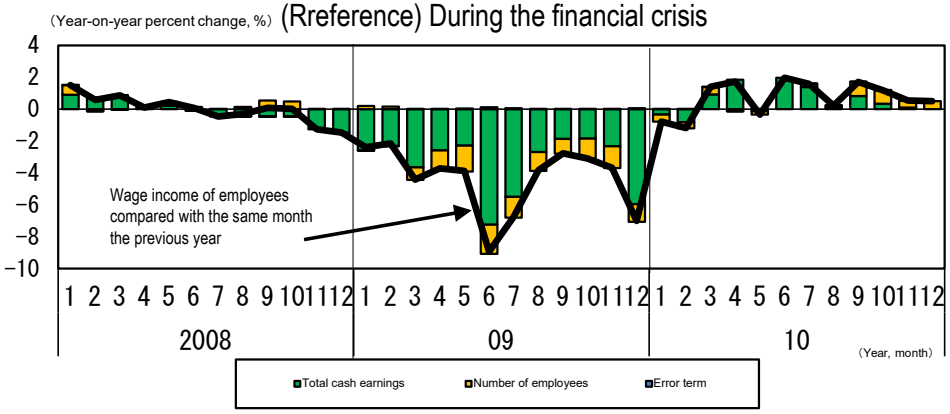
（1） Labour input





（2） Compensation of employees



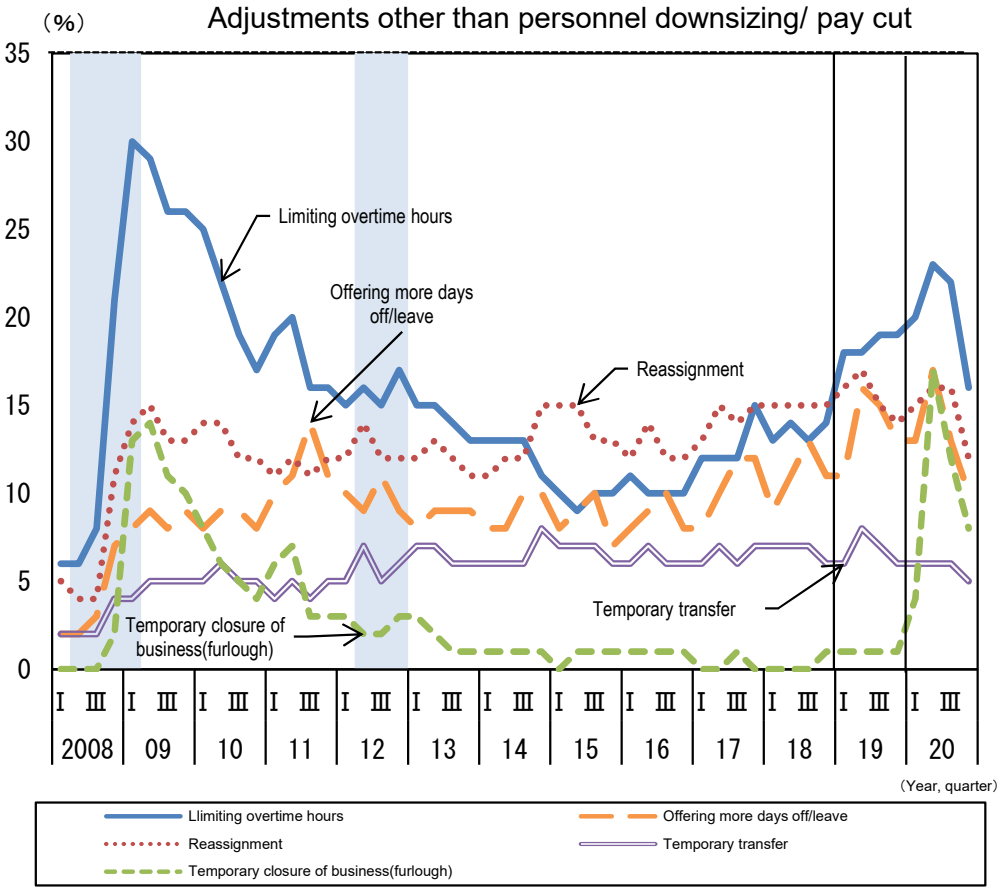


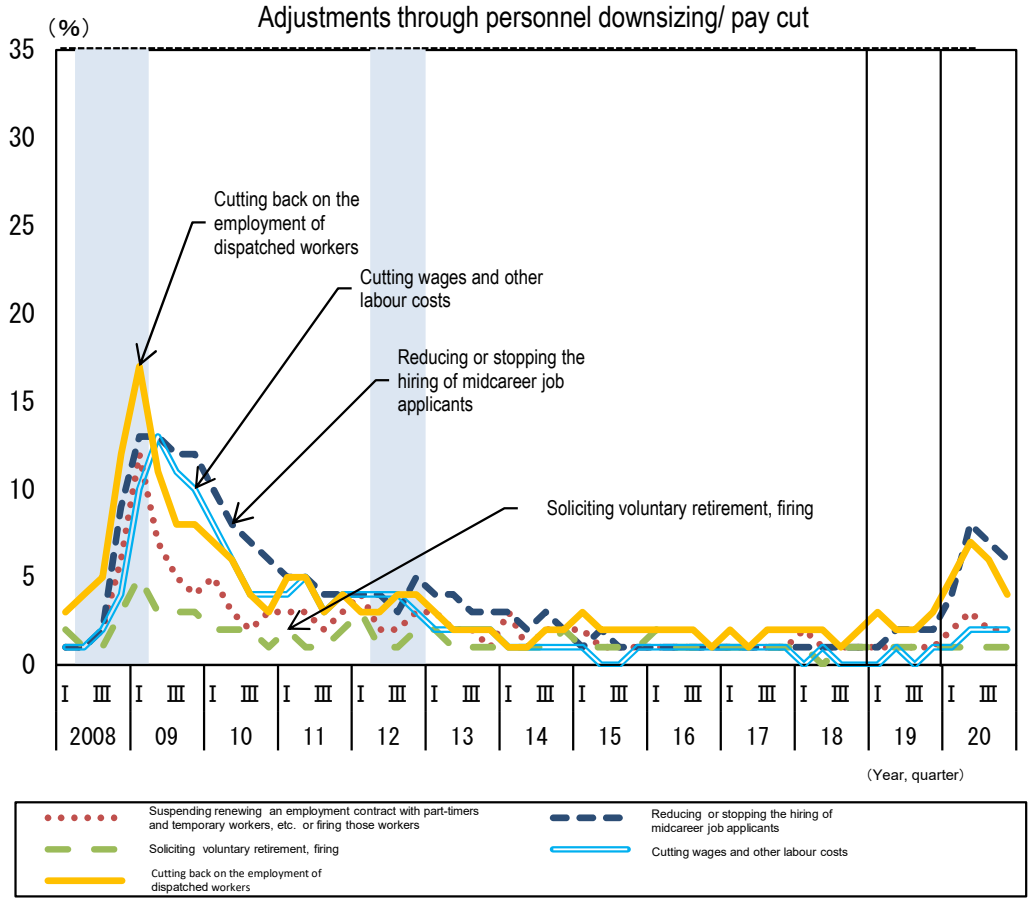
Source: (1) "Monthly Labour Survey", MHLW , :"Labour Force Survey(Basic Tabulation)", MIC, " Indices of Industrial Production"" Indices of Tertiary Industry Activity"" Indices of All Industry Activity", Ministry of Economy, Trade and Industry (2) "Monthly Labour Survey", MHLW , :"Labour Force Survey(Basic Tabulation)", MIC

(Notes) 1) The labour input is calculated as follows: total actual hours worked (unadjusted value) × the number of employees (unadjusted value).
2) The percent change in labour input in chart 1 is calculated based on the percent change in the index of total actual hours worked, the percent change in the number of employees index and error terms.
3) The creation of the index in and after August 2020 represent the percent change of the integrated indices of industrial production and tertiary industry activity (2015 benchmark) from the same month the previous year.
4) The wage income of employees in chart 2 is calculated as follows: total cash earnings index (non-adjusted index) ×the number of employees (unadjusted value). The figures in the chart are values estimated by the Ministry of Health, Labour and Welfare.
5) The percent change in wage income of employees in chart 2 is calculated based on the percent change in the total cash earnings index, the percent change in the number of employees index and error terms.

- Many enterprises have taken various steps other than personnel downsizing or pay cut to keep their employees during the pandemic. Those efforts include limiting overtime hours, giving more days off and reassigning workers. The percentage of companies that made such efforts rose in 2020. These efforts were also observed during the financial crisis.
- Meanwhile, some companies responded with workforce reduction or wage cut. Those approaches include cutting back on dispatched workers, reducing and stopping hiring midcareer job candidates, and cutting labour costs such as wages. The percentage of enterprises that took such approaches was lower in 2020 than during the financial crisis.

Percentage of enterprises taking employment adjustment measures, etc.





Source: “Survey on Labour Economy Trend”, MHLW
(Notes) 1) The shaded areas represent recessions.
2) Actual solid lines are drawn between 2018 and 2019, and 2019 and 2020 in the charts above to make the trend between 2019 and 2020 more visible.

Ⅱ－1－（1）

Employment Adjustment Subsidy, etc. for Pandemic Response (1) (Special Measures and Determined Payment Amount）

- The government has taken special measures for the employment adjustment subsidy and the emergency employment security subsidy throughout the emergency response period that started on April 1, 2020. The aim is to support employers trying to keep their employees amid the pandemic. Under the special measures, the government has expanded the subsidy coverage and raised the upper limit on the daily subsidy amounts. In addition, a leave of absence taken by workers not covered by employment insurance is also subsidized through the emergency package of employment security.
- The peak of monthly determined payment during the pandemic exceeds that offered during the financial crisis, and the pace of increase in the payment amount is faster than that during the financial crisis. The determined payment amount reached about 570 billion yen in August 2020. It has remained higher than that during the financial crisis.

（1） Special Measures for the Employment Adjustment Subsidy (overview)

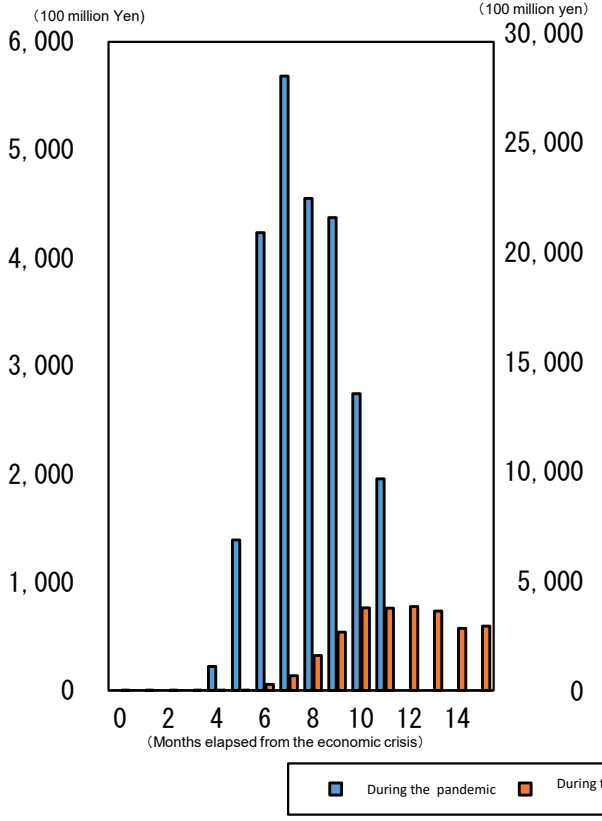
○ The employment adjustment subsidy scheme is a support program that subsidizes part of leave allowance paid by a employer to employees. A subsidy application is accepted when employees put on paid leave are covered by employment insurance. But under the special measures, emergency employment security subsidies are given to employers who meet certain requirements even if workers are not insured.

Details on special measures for the Employment Adjustment Subsidy （April – December 2020）

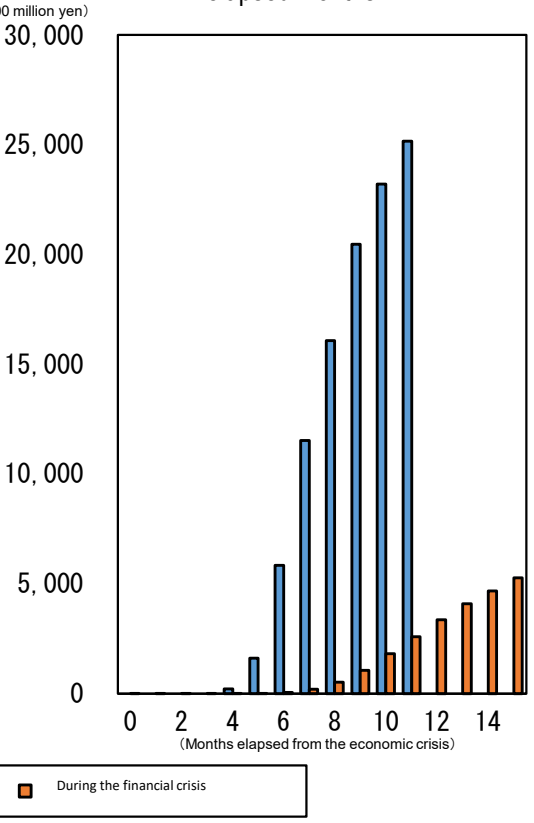
	The Employment Adjustment Subsidy other than special measures	Special measures for the Employment Adjustment Subsidy
Eligible enterprises	Enterprises that have reduced business activity due to economic hardship	All enterprises affected by the COVID-19 crisis (in all industries)
Production indicator requirement (sales, etc.)	Production in the last 3 months dropped by 10% or more compared to the same period in the previous year	Production in the last 1 month dropped by 5% or more compared to the same period in the previous year
coverage	Employees insured by the employment insurance	All employees, including workers who are not insured (emergency employment security subsidy)
Subsidy rate	2/3 (small-and medium-sized companies) 1/2 (large companies)	4/5(small-and medium-sized companies), 2/3(large companies) ※ If employers do not layoff any employees : 10/10 (small-and medium-sized companies), 3/4 (large companies)
Maximum amount per day	8,370 yen	15,000 yen
Submission of the implementation plan for employment adjustment	Necessary	Not necessary
Maximum duration of subsidy payment	100 days for one year or 150 days for 3 years	Same as the left ＋days closure during the period for emergency response

（2） Determined payment amount of the employment adjustment subsidy, etc.

Determined payment amount of the employment adjustment subsidy, etc. by elapsed months



Determined payment amount of the employment adjustment subsidy, etc. by elapsed months



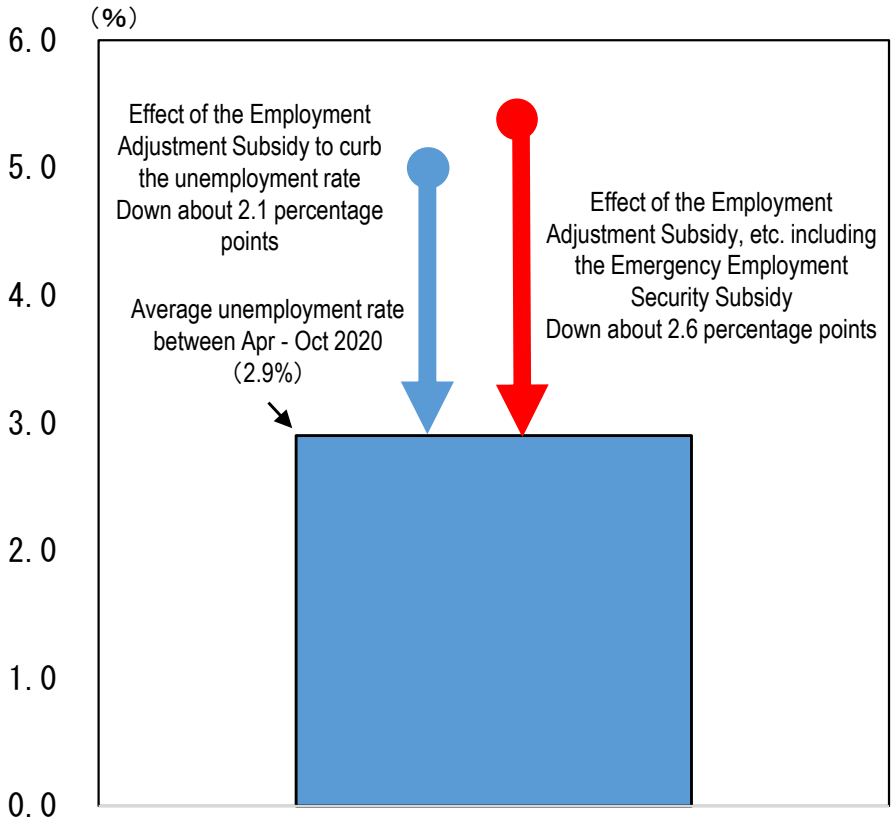
Source: MHLW

(Note) The payment amount during the pandemic in chart 2 is the total amount of the employment adjustment subsidy and emergency employment security subsidy. Subsidy payments during the pandemic represent the determined payment amount, and those during the financial crisis represent the amount actually paid. The amounts of subsidies are compared according to the number of months elapsed from a certain month: from January 2020 for the data during the pandemic and from September 2008 for the data during the financial crisis.

Ⅱ－1－（1） －Employment Adjustment Subsidy, etc. for Pandemic Response (2) (Effects to Curb Unemployment)－

- According to an estimate of the effects of the employment adjustment subsidy, etc. to curb unemployment, the payment of subsidies reduced the unemployment rate by 2.6 percentage points between April and October in 2020. (A considerable margin of error needs to be taken into account since the estimated figure is calculated based on certain assumptions.)

※ Those subsidy payouts do not only have positive effects. There are also negative effects: subsidy payouts can prevent workers from moving into fast-growing sectors and cause severe financial strains on the employment insurance system.



● Estimation methods

※The estimation period is set at seven months from April through October 2020.
Calculations of estimates of effects of the subsidies were made based on sample data obtained during the period.

（1）Average amount paid per person per day

Average amount of subsidy per person per day（yen/person, day）＝determined payment amount / the number of leave days for which payment was made (person, day)

（2）Total amount of payment during the period

Based on the correlation between the determination base period and the payment decision date in the sample survey, the total amount of payment up to the end of December 2020 was used; based on assumption that those with the determination base period up to October 2020 were paid by the end of December 2020 on average.

（3）Average total number of days of leave per month

The average total number of days of leave per month＝total amount paid during the period / average payment amount per person per day / 7

※The payments are divided by 7 because the calculation is made based on the base period for the determination from April to October.

（4）Average number of workers eligible for the employment adjustment subsidy, etc. on a monthly basis

Average number of workers eligible for the employment adjustment subsidy, etc. on a monthly basis＝average total number of days of leave per month / average number of scheduled working days per month

※ The monthly average number of scheduled working days is calculated using the total annual number of days off (worker average) stated in the MHLW's 2020 General Survey on Working Conditions.

（5）Effects of subsidies to curb unemployment

Effects of subsidies to curb a rise in the monthly average unemployment rate＝average number of workers eligible for the employment adjustment subsidy, etc. on a monthly basis / monthly average labour force (average between April and October)

※The calculation assumes that all the workers eligible for the employment adjustment subsidy, etc. would become unemployed if subsidies were not provided.

● Reports regarding analysis on the effects of the employment adjustment subsidy, etc. other than this paper

- A report (2007) by the Japan Institute for Labour Policy and Training (JILPT) estimates that the payment of the employment adjustment subsidy reduced the unemployment rate by about 0.8-1.0 percentage points in the second quarter of 2009 during the financial crisis.
- According to the Cabinet Office's estimate (2021), the payment of the employment adjustment subsidy reduced the unemployment rate by about 2.0-3.0 percentage points in each quarter between the second and fourth quarters of 2020 although a considerable margin of error needs to be taken into account.

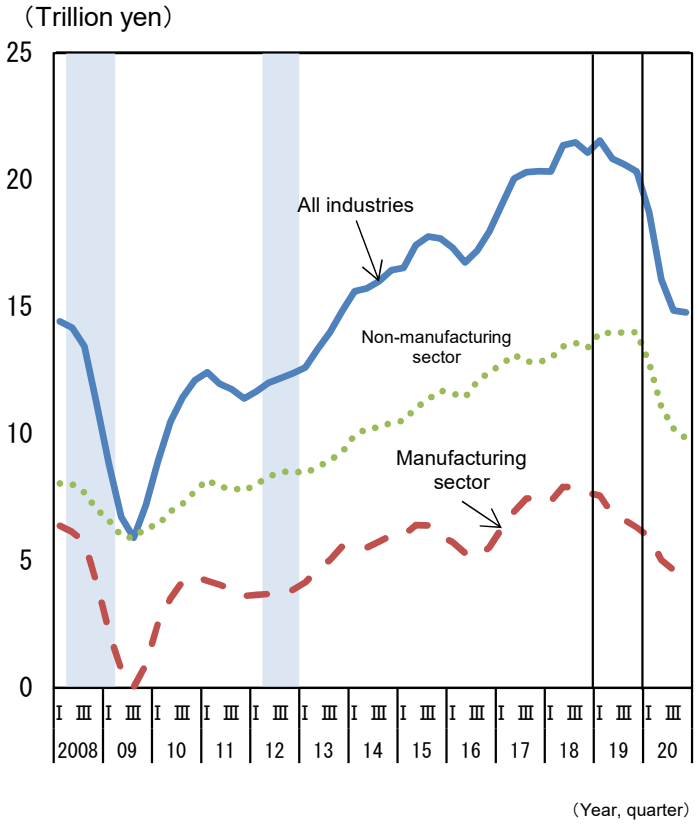
Source: Data on actual payments of employment adjustment subsidy, etc. published by MHLW; sample survey conducted by the Employment Security Bureau of MHLW; "Labour Force Survey (Basic Tabulation)", MIC; "General Survey on Working Conditions", MHLW.

Ⅱ－1－（2）

Impact of the COVID-19 Pandemic on Ordinary Profits by Industry
－Trend by Industry（Ordinary Profit）－

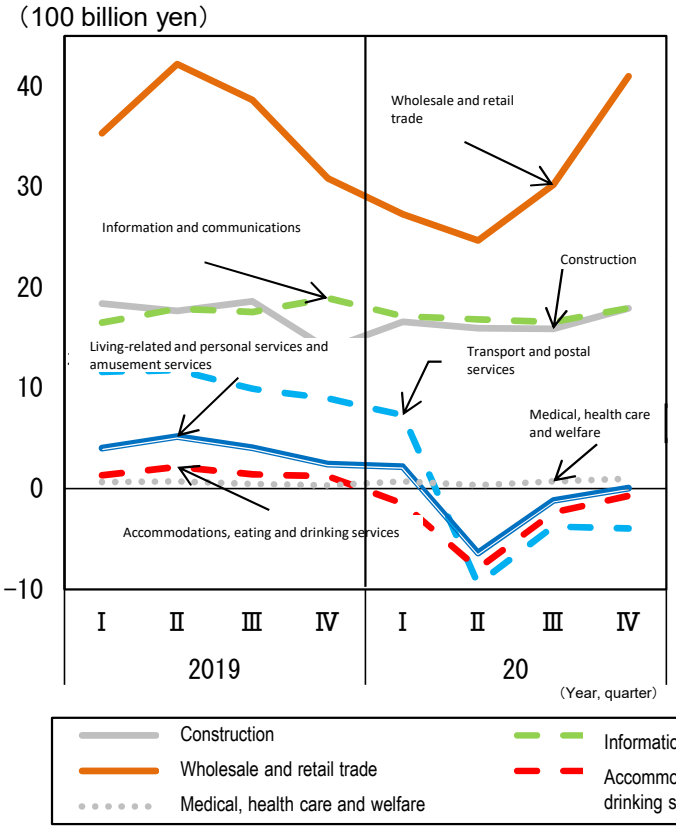
- Ordinary profits plunged in 2020 both in the manufacturing and non-manufacturing sectors.
- Among the major industries in the non-manufacturing sector, wholesale and retail trade saw a decline in ordinary profits during the pandemic as they did during the financial crisis. As COVID-19 spread across the country, more industries suffered profit drops. Ordinary losses were reported in the following industries: transportation and postal services, accommodations, eating and drinking services, living-related and personal services and amusement services.

（1）Ordinary Profits by Industry

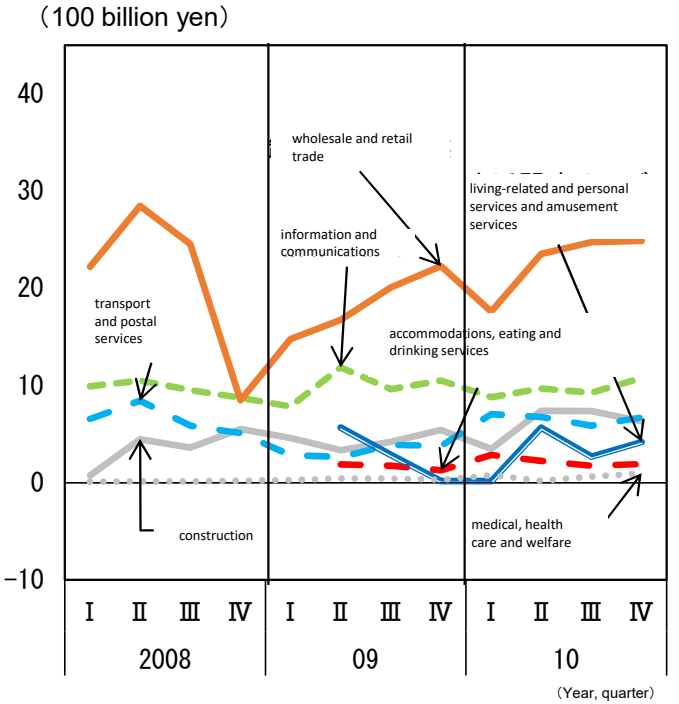


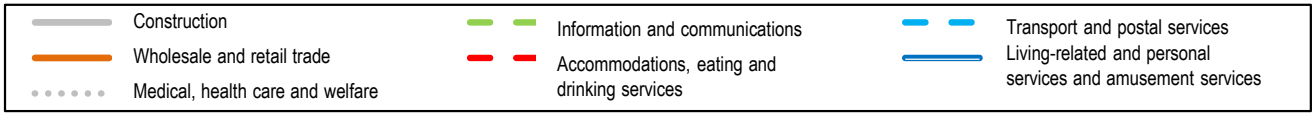
（2）Ordinary profits in the non-manufacturing sector

During the COVID-19 pandemic



(Reference) During the financial crisis





Source: “Financial Statements Statistics of Corporations by Industry”, MOF
(Notes) 1) The figures in chart 1 are averages of the last four quarters using seasonally adjusted data. Figures in the chart on the right are averages of the last four quarters using original data.
2) Chart 1 does not include data on the financial and insurance industries.
3) The shaded areas represent recessions.
4) Actual solid lines are drawn between 2018 and 2019, and 2019 and 2020 in the charts above to make the trend between 2019 and 2020 more visible.
5) The seasonally adjusted values calculated by the MHLW are used for chart 2.

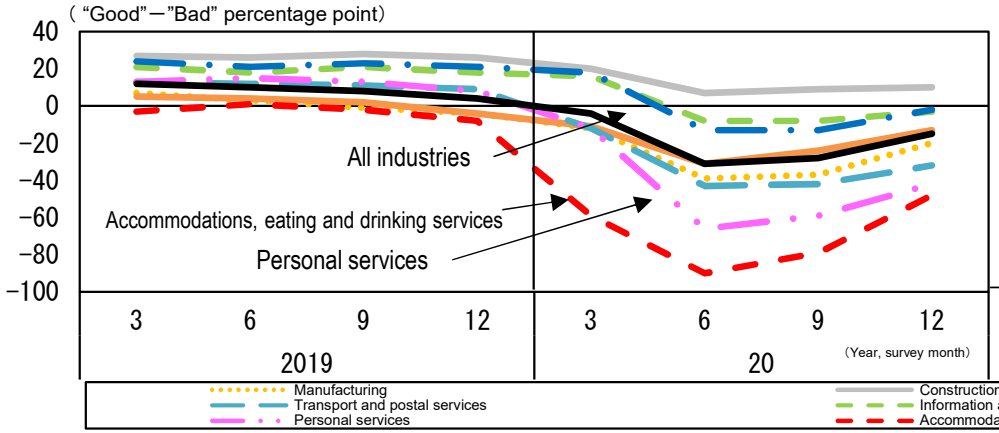
Ⅱ－１－（２）

－Trend by Industry （Diffusion Index of Business Conditions and D.I. of Employment Conditions）－

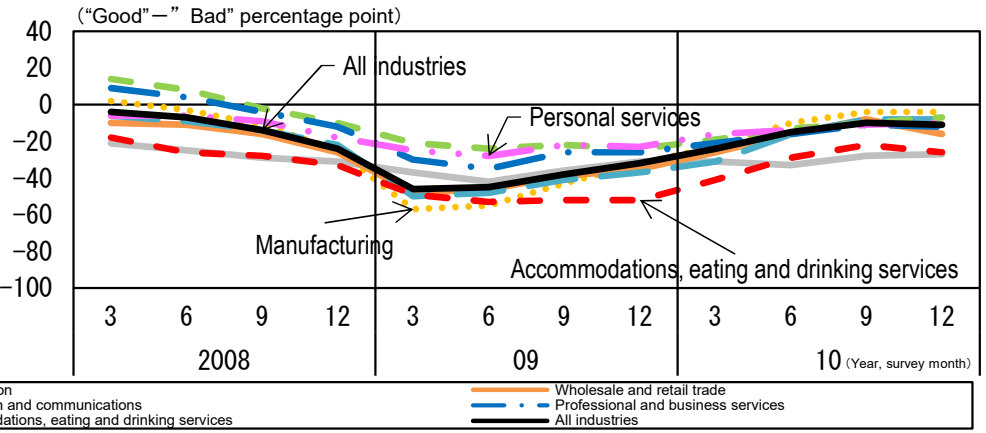
- The diffusion indexes of business confidence fell sharply mainly in the accommodations, eating and drinking services, and personal services industries during the pandemic. Unlike the trend seen during the pandemic, business confidence deteriorated during the financial crisis in a wider range of industries, including manufacturing.
- The diffusion indexes of corporate labour force show that all industries had labour shortages before the pandemic. The indexes also indicate that most of those industries continued to face shortages of labour during the pandemic while the labour shortage in the manufacturing, accommodations, eating and drinking services turned into a surplus. This differs from the trend during the financial crisis since the manufacturing and most other industries had a surplus of workers throughout the financial crisis.

（１） D.I. of Business Conditions

During the COVID-19 pandemic



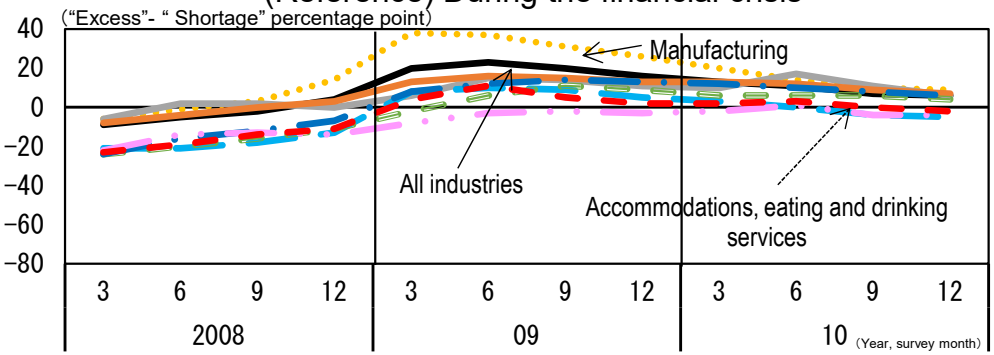
(Reference) During the financial crisis

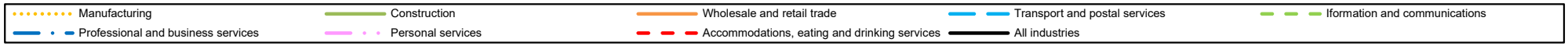


（２） D.I. of Employment Conditions

During the COVID-19 pandemic

(Reference) During the financial crisis





Source: “Short-term Economic Survey of Principal Enterprises in Japan” or “Tankan survey”, BOJ

(Notes) 1) Professional and business services include design services, advertising, technical services (services not categorized into other services) (excluding veterinary), industrial waste disposal business, automotive maintenance services, machine, etc. repair services, employment placement and worker dispatching services, and miscellaneous business services.

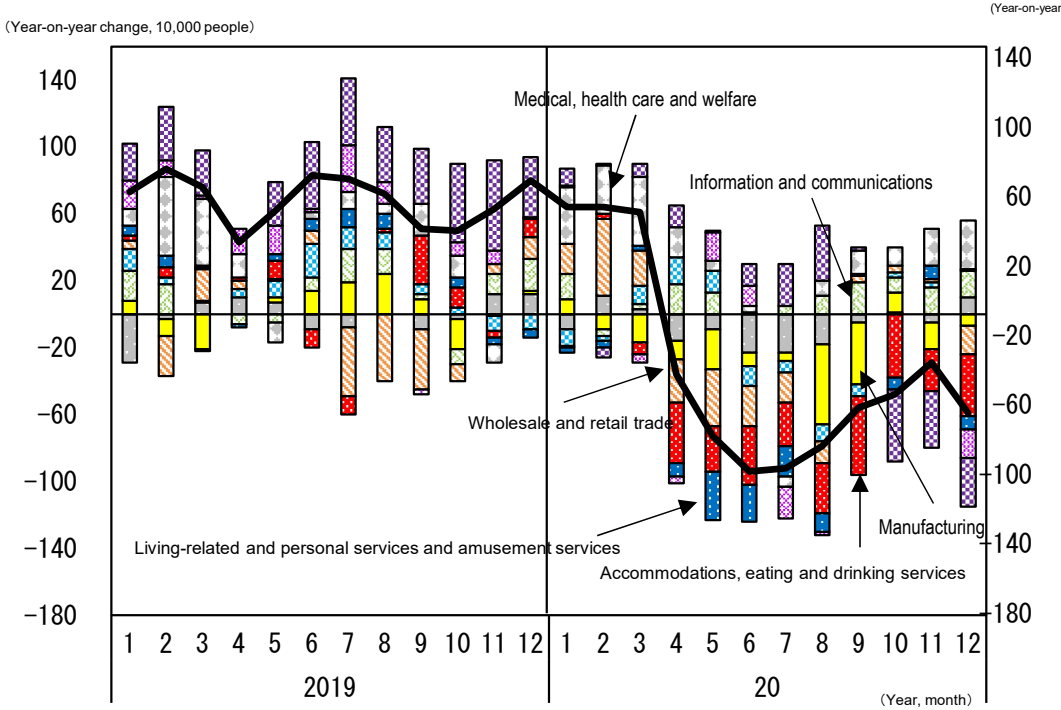
2) Personal services include laundry, beauty and bath services, other living-related services, amusement services, specialized training colleges and miscellaneous schools, school education support institutions, instruction services for arts, culture and specialized knowledge and skills, welfare services for the aged and care services, miscellaneous social insurance, social welfare and care services.

Ⅱ－1－（2） —Trend by Industry (Number of Employees)—

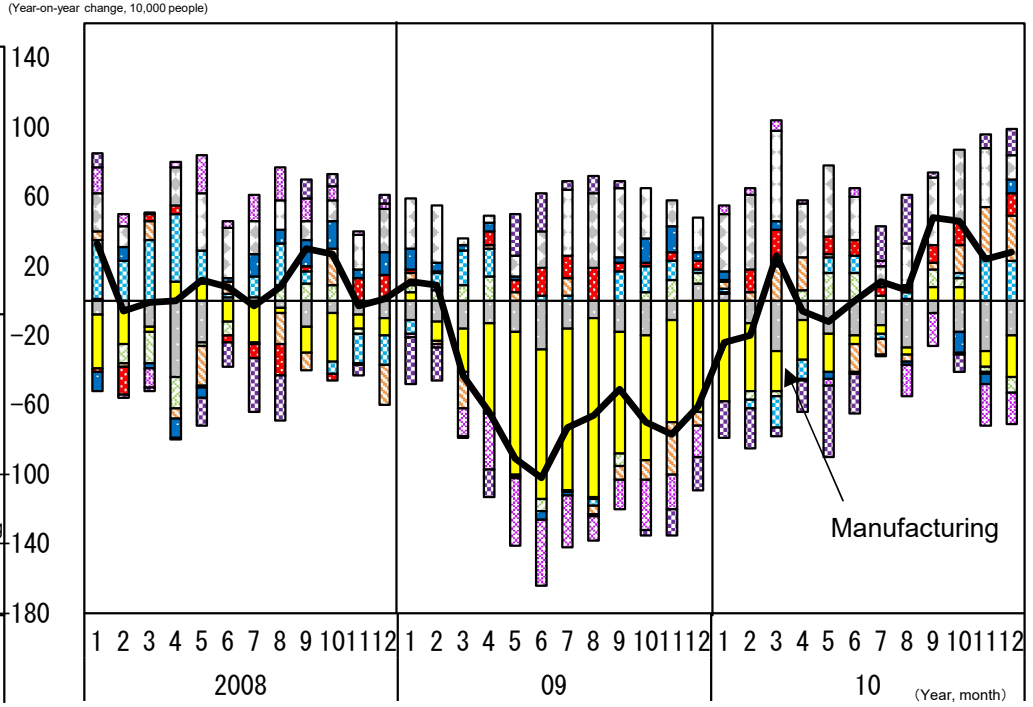
- According to the data below on the year-over-year changes in employment by industry, the number of employees in the accommodations, eating and drinking services, wholesale and retail trade, living-related and personal services and amusement services industries dropped sharply during the pandemic, while some industries such as information and communications, and medical, health care and welfare experienced a steady increase in the number of employees.

Number of employees by industry

During the COVID-19 pandemic



（Reference） During the financial crisis



Construction
Manufacturing
Information and communications
Transport and postal services
Wholesale and retail trade
Accommodations, eating and drinking services
Living-related and personal services and amusement services
Medical, health care and welfare
Services, n.e.c.
Other
Total

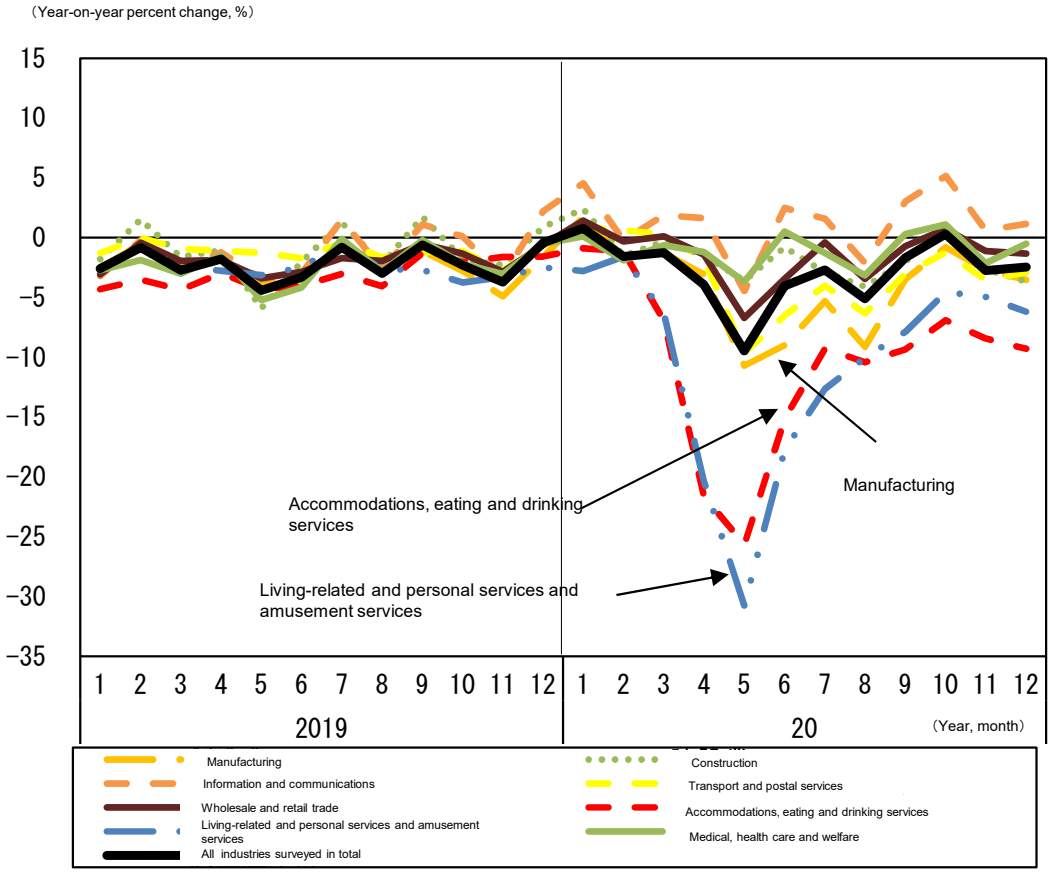
Source: “Labour Force Survey (Detailed Tabulation)”, MIC
(Notes) 1) Not seasonally adjusted data
2) The figures for other in the charts above represent the total number of employees in the following industries: agriculture and forestry, mining and quarrying of stone and gravel, electricity, gas, heat supply and water, finance and insurance, real estate and goods rental and leasing, scientific research, professional and technical services, compound services, education, learning support, and government services.
3) To compile the number of employees by industry, the Labour Force Survey has required dispatched workers to report based on the industry of the enterprises they are dispatched to since January 2013. This means those workers are classified into the industry of the enterprises they are dispatched to. But until December 2012, they reported the industry of establishments they registered with. Thus, the figures in the charts are not directly comparable.

Ⅱ－1－(2)　－Trend by Industry (Total Actual Hours Worked)－

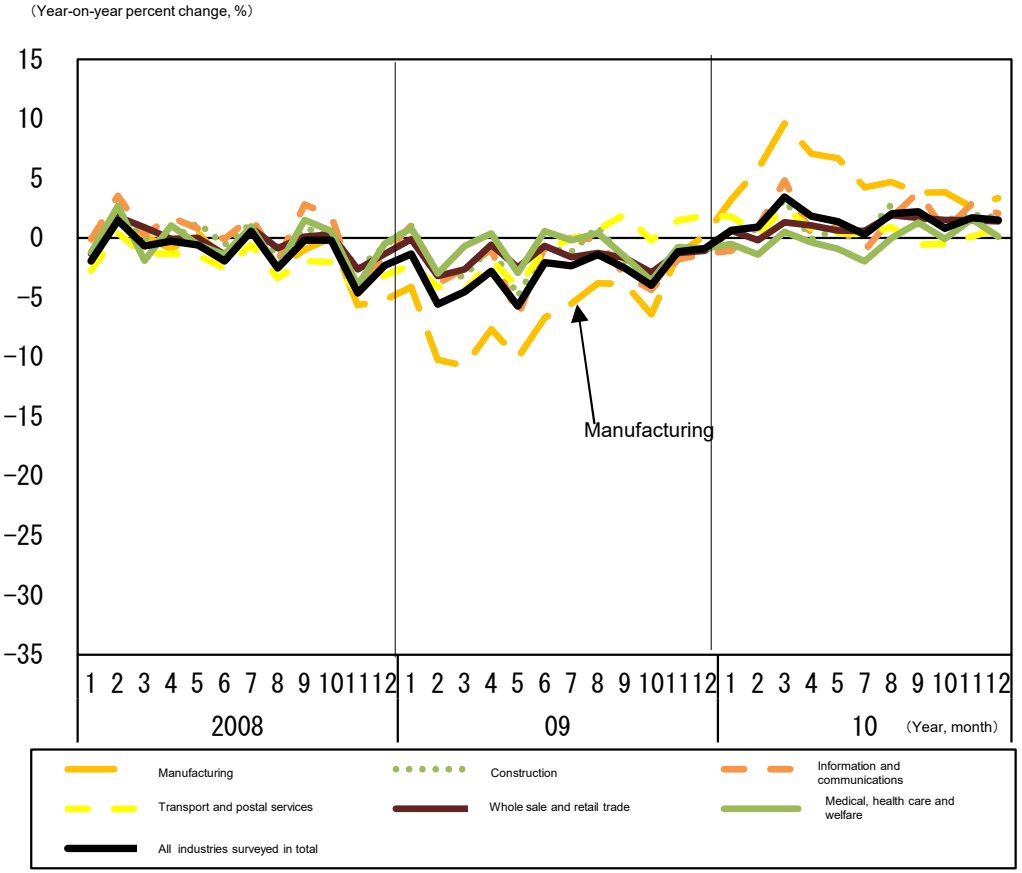
- According to the data below on the year-over-year percent changes in total actual hours worked by industry, a sharp drop began in March 2020 in many industries. The decline was especially steep in the living-related and personal services and amusement services, accommodations, eating and drinking services industries. In May 2020, the total actual hours worked dropped by 30.8 percent in the living-related and personal services and amusement services industry and by 25.7 percent in the accommodations, eating and drinking services industry. Meanwhile, the total actual hours worked dropped by 10.7 percent in the manufacturing industry in March 2009. It was the largest decline during the financial crisis, but smaller than the declines during the pandemic.

Total actual hours worked by industry

During the COVID-19 pandemic



(Reference) During the financial crisis



Source: “Monthly Labour Survey”, MHLW

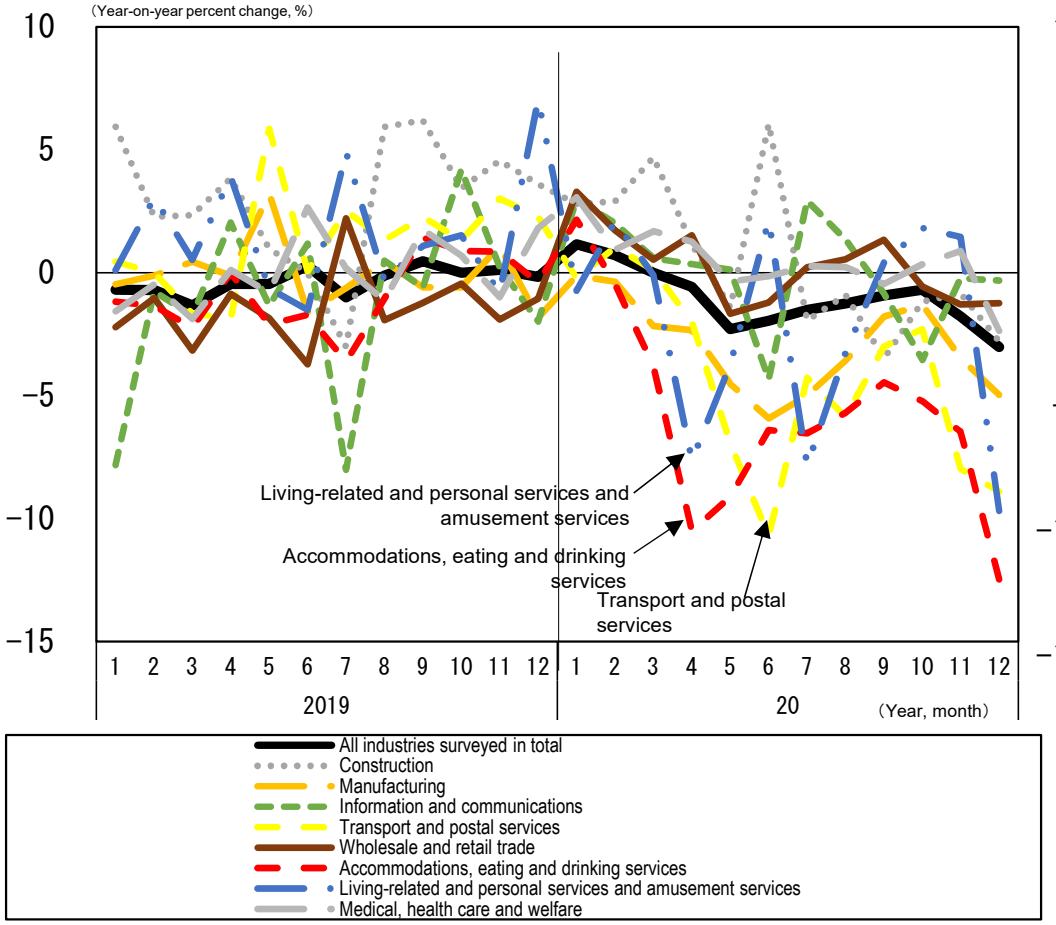
(Notes) 1) The figures in the charts represent values of all industries surveyed, all types of employment and business establishments with five or more employees.
2) The data above use actual values that are comparability adjusted for time-series data. Those values are calculated by multiplying the index of total actual hours worked by the 2015 benchmark value and then dividing by 100.
3) The data on the accommodations, eating and drinking services industry and the living-related and personal services and amusement services industry are not shown in the chart on the right above as the data are only available from 2010.

Ⅱ－1－(2) —Trend by Industry (Total Cash Earnings by Industry)—

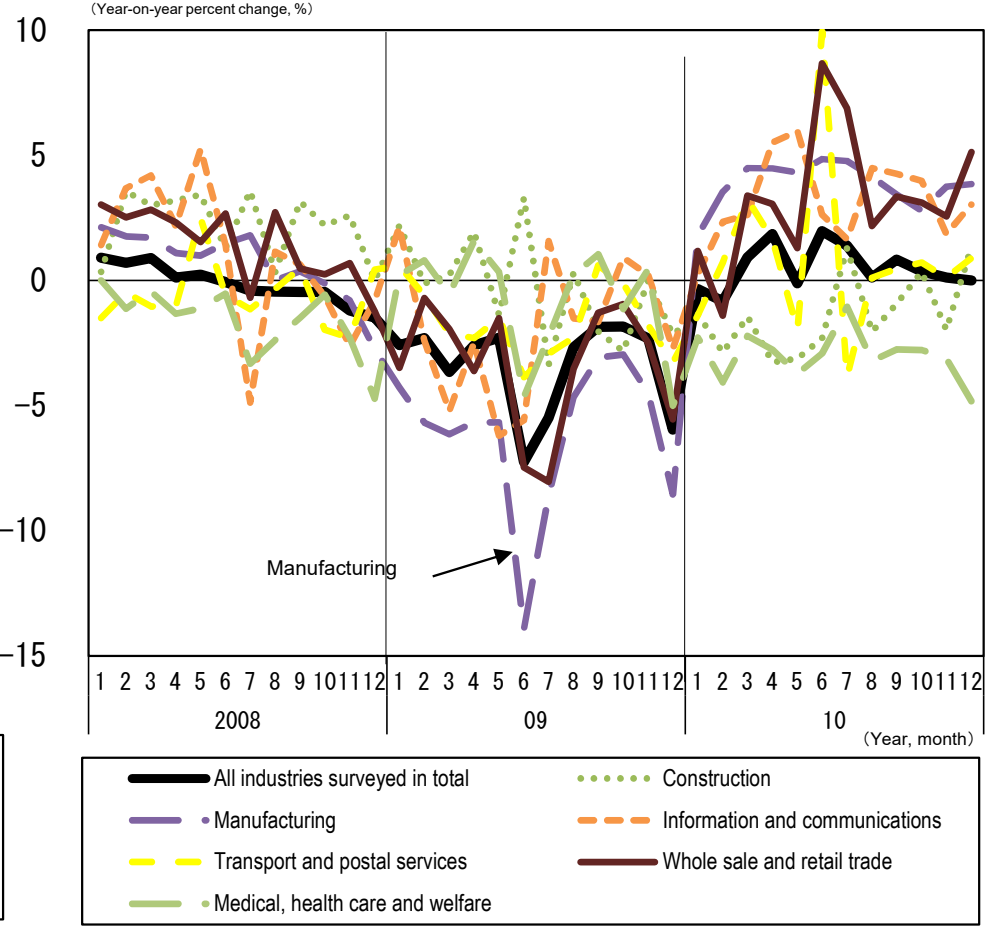
- According to the data below on the year-over-year percent changes in total cash earnings by industry, total cash earnings started falling in March 2020 in almost all industries. The decline was especially significant in the accommodations, eating and drinking services, transportation and postal services, living-related and personal services and amusement services industries. The accommodations, eating and drinking services industry experienced a drop of 12.5 percent in December, while the transportation and postal services industry reported a 10.7 percent decline in June and the living-related and personal services and amusement services industry a 9.7 percent fall in December. The largest decline in total cash earnings during the financial crisis was a 13.9 percent drop in the manufacturing industry in June 2009.

Total cash earnings by industry

During the COVID-19 pandemic



(Reference) During the financial crisis



Source: “Monthly Labour Survey”, MHLW

(Notes) 1) The figures represent values of all industries surveyed, all types of employment and business establishments with five or more employees.

2) The data above use actual values that are comparability adjusted for time-series data. Those values are calculated by multiplying the total cash earnings index by the 2015 benchmark value and then dividing by 100.

3) The data on the accommodations, eating and drinking services industry and the living-related and personal services and amusement services industry are not shown in the chart on the right above as the data are only available from 2010.

Ⅱ－1－（2） ―Trend by Industry (Employment of Job Leavers)―

- The data on employment of job leavers who quit a job in the past year(changes from the previous year) show that the number of workers who found new jobs within a year of leaving their previous employment declined in many industries in 2020. Such industries include the accommodations, eating and drinking services, construction, wholesale and retail trade, manufacturing, medical, health care and welfare. Meanwhile, there were a significant increase in the numbers of people who became unemployed after leaving their jobs in industries such as wholesale and retail trade, and manufacturing. The number of people who fell in the category of “not in the labour force” after quitting their jobs in industries such as accommodations, eating and drinking services, medical, health care and welfare, and living-related and personal services and amusement services also increased markedly.

Trend in the employment status of job leavers by industry of their previous employment
（employed persons, unemployed persons, persons not in the labour force）

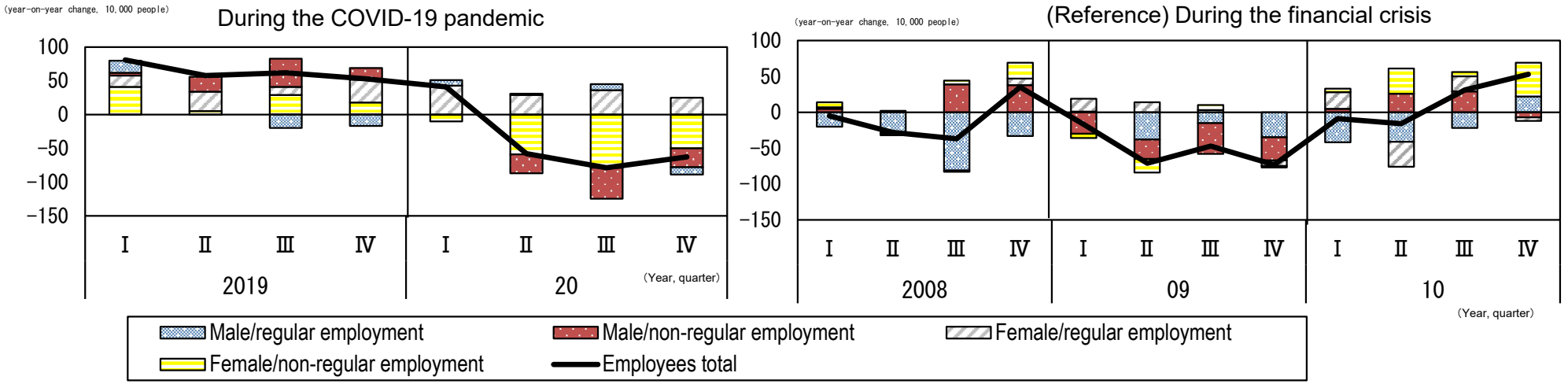
Source: “Labour Force Survey (Detailed Tabulation)”, MIC
(Note) Not seasonally adjusted data

Ⅱ－１－（３）

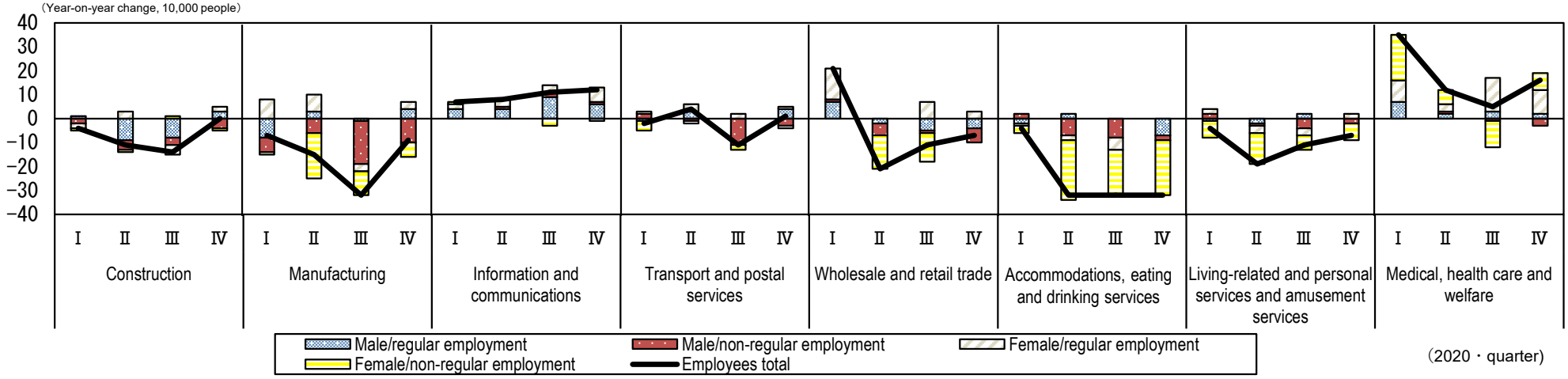
Impact by Labour Force Characteristics
－Trend by Labour Force Characteristics (Number of Employees)－

- The data below on the number of employees by gender and employment type (changes from the same period of the previous year) show that the number of female regular employees increased in 2020, while the figure for non-regular workers -both males and females decreased. The decline was significant especially for females. The trend in 2020 is different from that seen during the financial crisis, the period in which the number of male regular and non-regular workers dropped significantly.
- Meanwhile, the data on the number of employees by industry (changes from the previous year) show a considerable decline in the number of female non- regular workers in the accommodations, eating and drinking services, manufacturing, wholesale and retail trade, living-related and personal services and amusement services industries and a significant drop in the number of male non-regular workers in the manufacturing industry.

（１）Number of employees by gender and type of employment



（２）Number of employees by gender, industry, type of employment（2020）

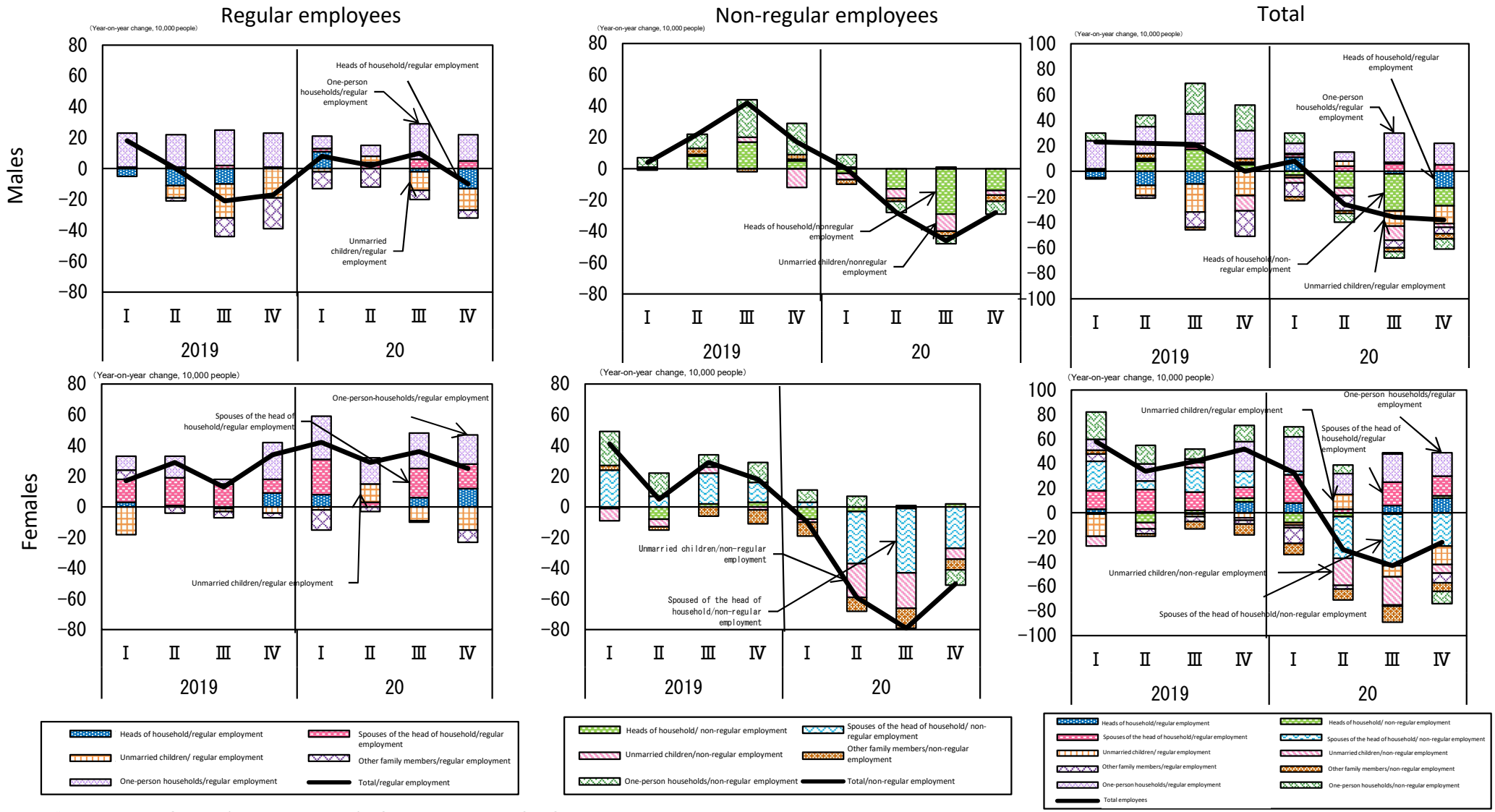


Source: “Labour Force Survey (Basic Tabulation)”, Statistics Bureau of MIC
(Note) Not seasonally adjusted data

Ⅱ－1－（3） —Trend by Labour Force Characteristics (Number of Employees (details))—

- According to the data below on the number of employees by relationship to the head of household (changes from the same period of the previous year), the number of non-regular workers declined in 2020 mostly among those in the following groups: male heads of household, female spouses of the head of household, and unmarried children – both males and females – of the head of household. The number of regular employees continued to increase throughout 2020 mostly among males and females in one-person households as well as female spouses of the head of household. However, the figure started declining in the second half of the year for unmarried children – both males and females –of the head of household and male householders.

Number of employees by gender, type of employment and relationship to the head of household

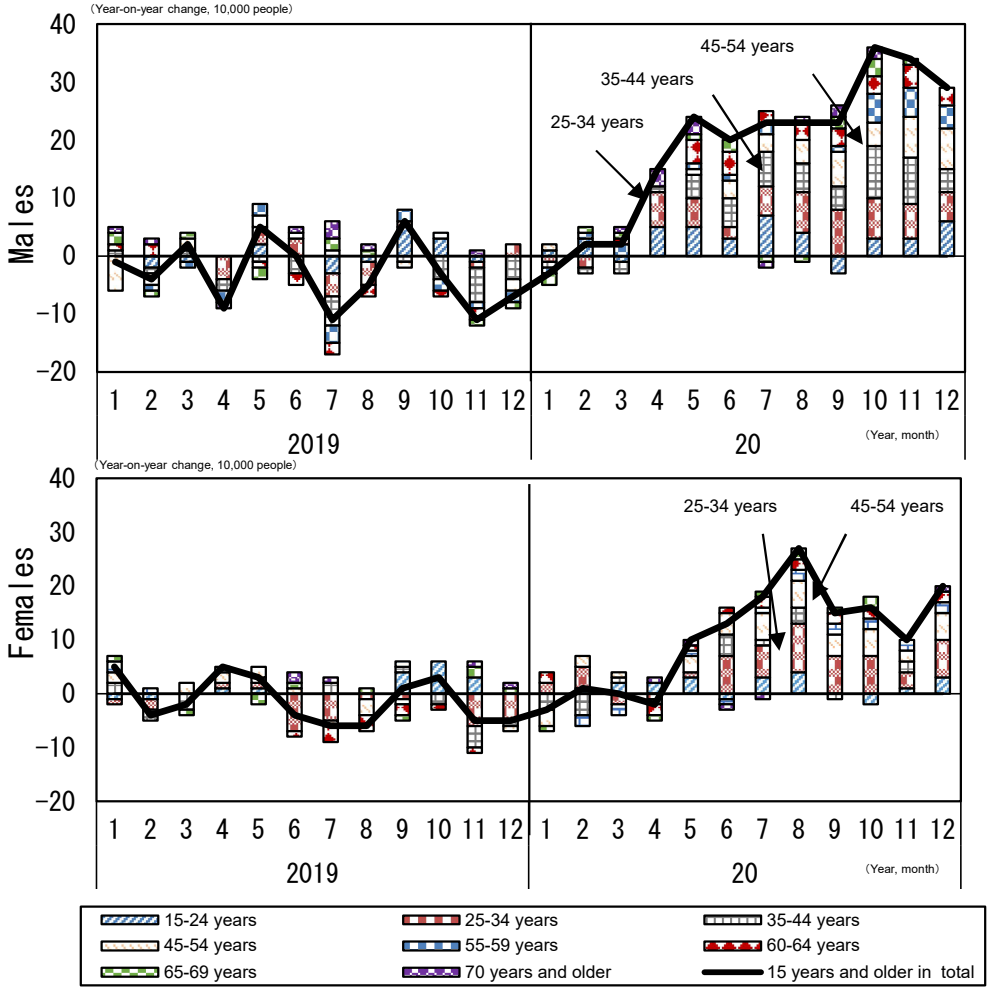


Source: “Labour Force Survey (Basic Tabulation)”, Statistics Bureau of MIC
(Note) Not seasonally adjusted data

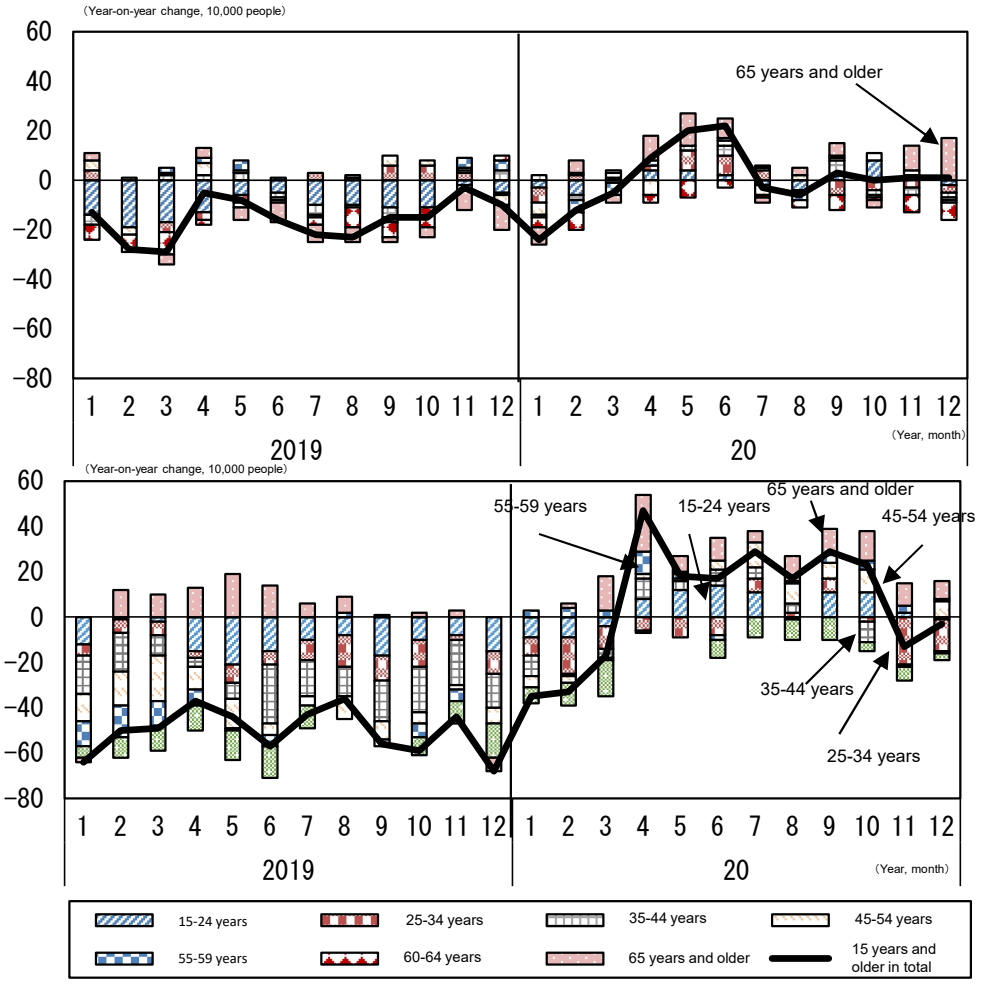
Ⅱ－1－(3) —Trend by Labour Force Characteristics (Numbers of Unemployed Persons and People Who Are Not in the Labour Force)—

- The data on the numbers of unemployed persons and people who are not in the labour force by gender (changes from the same period of the previous year) show that the numbers of unemployed males and females not in the labour force began increasing significantly in April 2020.
- The number of relatively young males who were unemployed or not in the labour force increased markedly between April and May 2020. However, the unemployment figure also rose for elderly and middle-aged men throughout the second half of the year. Meanwhile, the number of young females who were unemployed or not in the labour force began to increase in May along with young males. However, the number of females not in the labour force continued to increase until around October unlike males.

(1) Number of unemployed persons by gender and age group



(2) Number of people who are not in the labour force by gender and age group

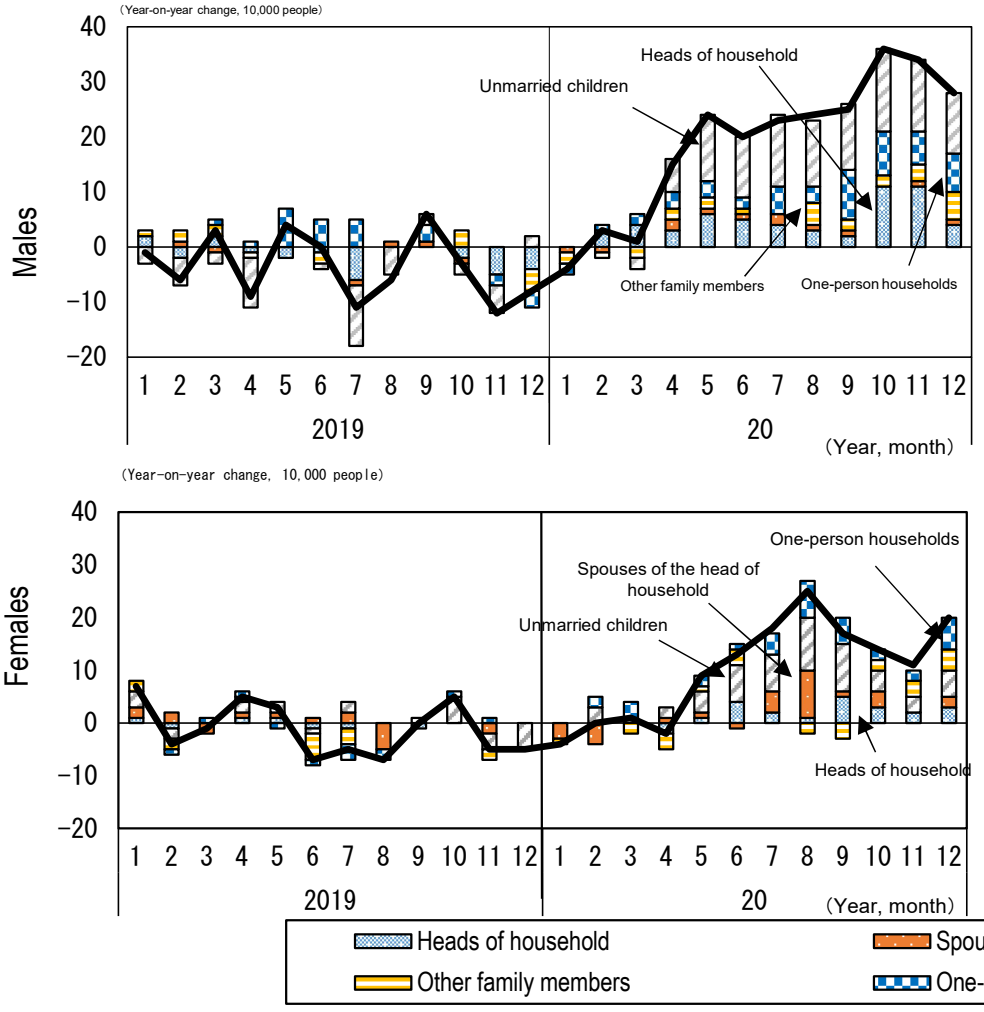


Source: "Labour Force Survey (Basic Tabulation)", Statistics Bureau of MIC
(Note) Not seasonally adjusted data

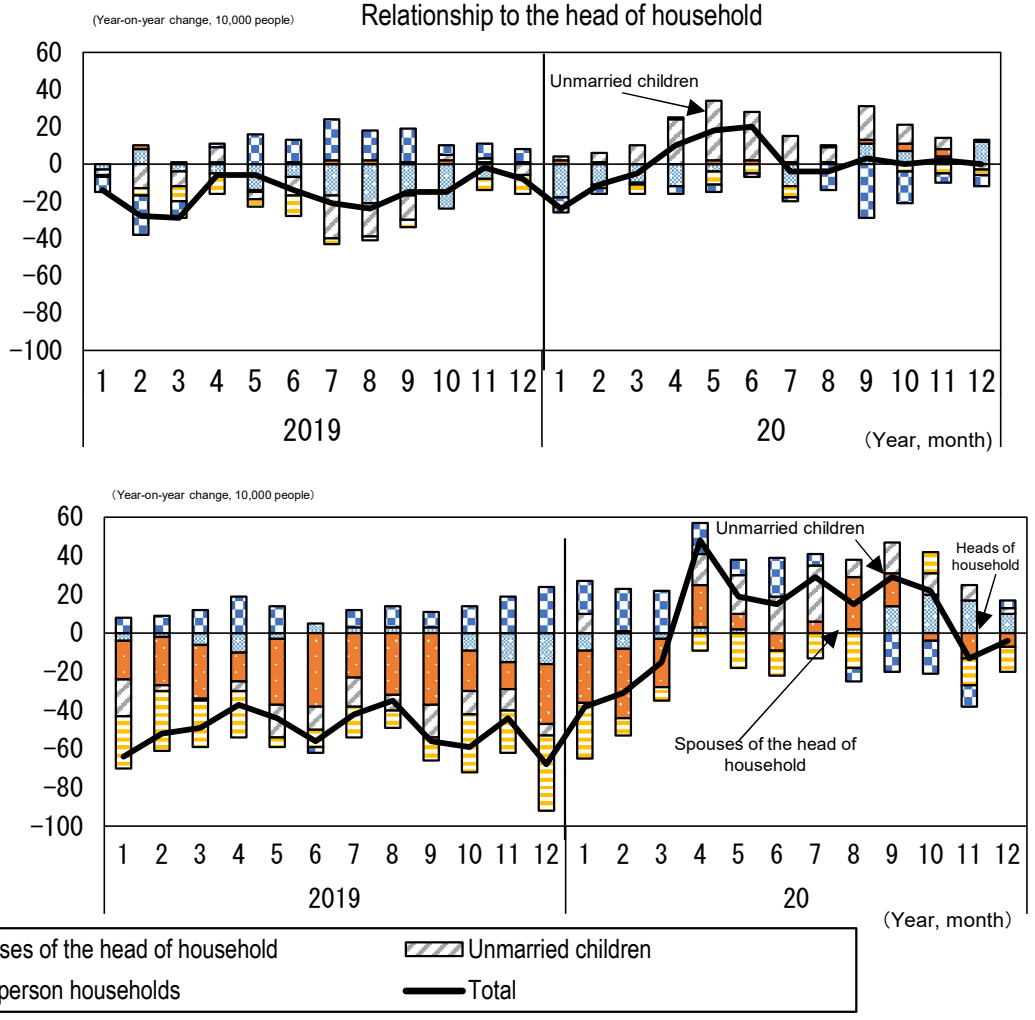
Ⅱ－1－(3) —Trend by Labour Force Characteristics (Numbers of Unemployed Persons and People Who Are Not in the Labour Force (details))—

- The data on the numbers of unemployed persons and people who are not in the labour force by gender and the relationship to the head of household (changes from the same period of the previous year) show that unemployment began to rise markedly in April 2020 among unmarried children – both males and females – of the head of household as well as males and females in one-person households. Meanwhile, the number of persons not in the labour force among unmarried children – both males and females – also started increasing significantly in April 2020.
- The number of unemployed persons increased significantly among male heads of household. Meanwhile, among female spouses of the head of household and female heads of household, the number of those who were not in the labour force began to rise markedly in April 2020, and the number of those unemployed increased significantly in the second half of the year.

(1) Number of unemployed persons by gender and relationship to the head of household



(2) Number of people who are not in the labour force by gender and Relationship to the head of household



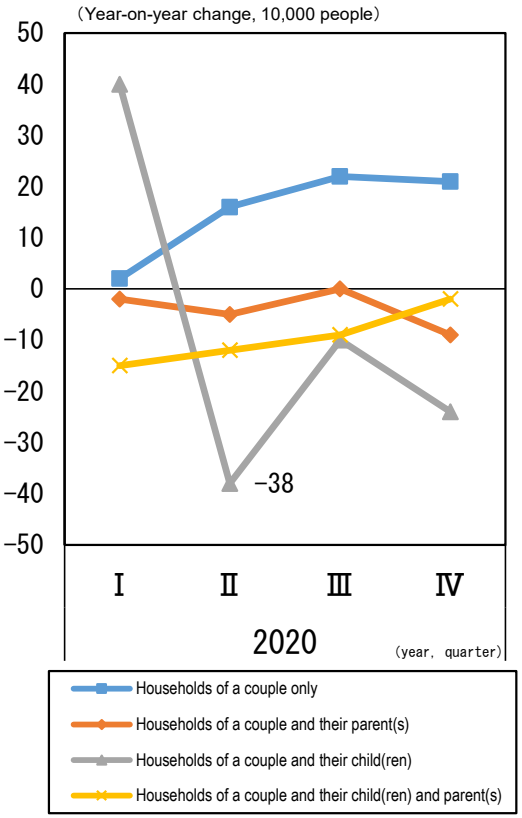
Source: "Labour Force Survey (Basic Tabulation)", Statistics Bureau of MIC
(Note) Not seasonally adjusted data

Ⅱ－1－（3）

—Trend by Labour Force Characteristics (People Who Are Not in the Labour Force details （1）)—

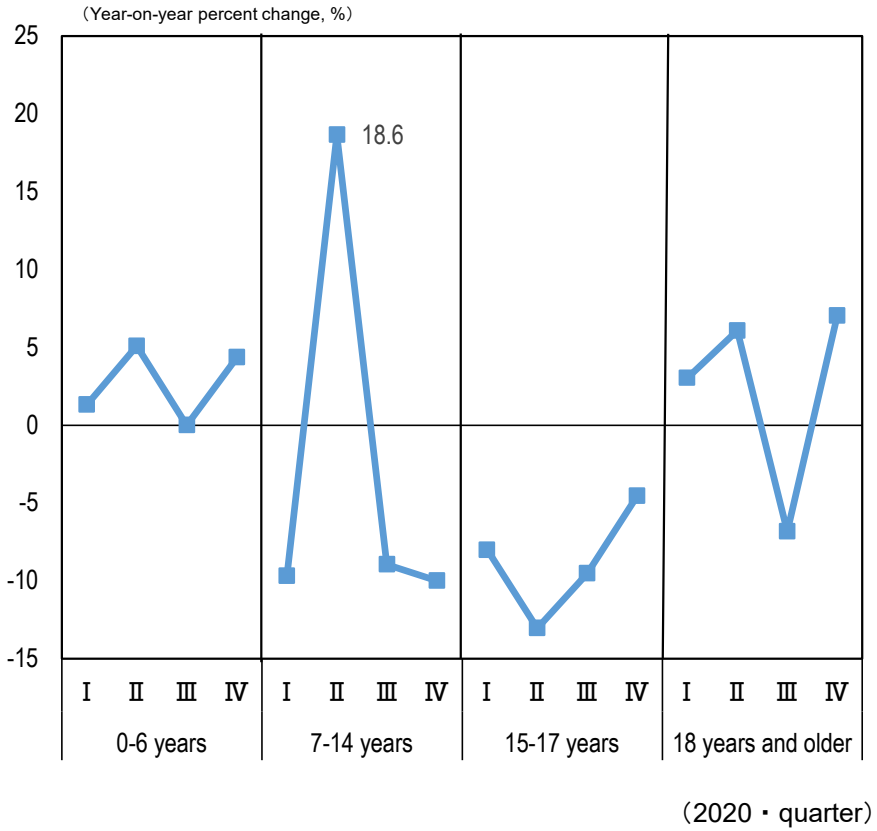
- Among married females living in a household of a couple and their child(ren), the number of those employed plungefemales whose d in the second quarter of 2020 by 380,000 from the previous year.
- Among married youngest child is age 7-14, the number of those not in the labour force surged in the second quarter of 2020 by 18.6% from a year earlier. The figure then began to decline.

（1） Number of employed married females by type of household

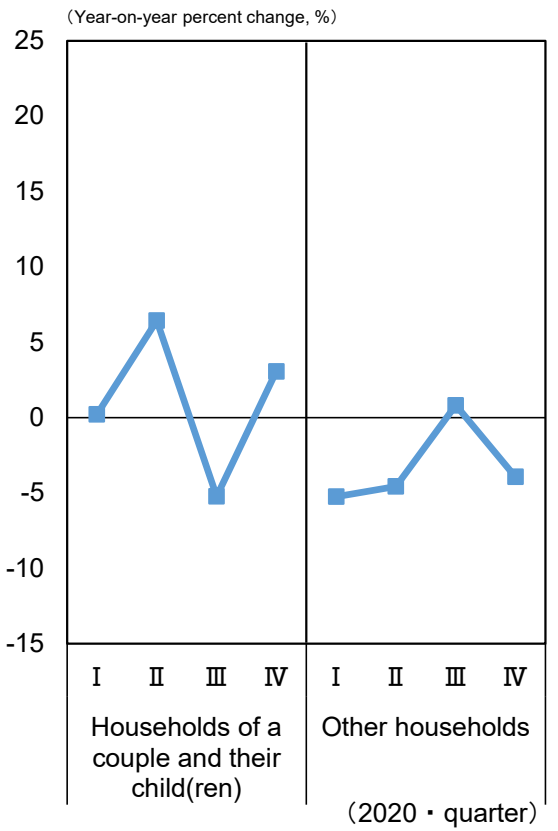


（2） Married females not in the labuor force by age of their youngest child

Number of married females who are not in the labuor force by age of their youngest child



Number of married females not in the labour force by family type



Source: “Labour Force Survey (Detailed Tabulation)”, MIC

(Notes) 1) Not seasonally adjusted data.

2) Children in chart 2 are classified into a household of a couple and their child(ren.

3) The figures for other households in chart 2 are the combined figures for the following households: households of a couple only, households of a couple and their parent(s), households of a couple, their child(ren) and parent(s).

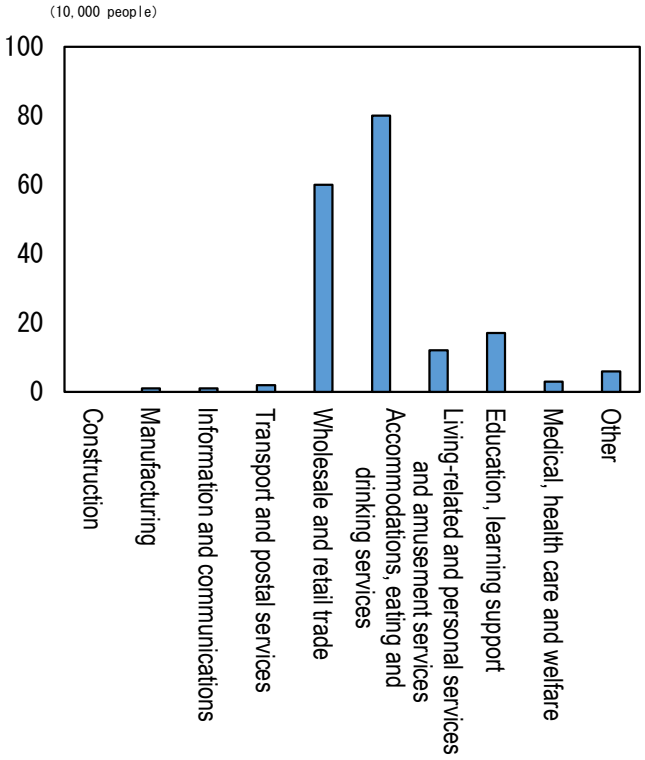
Ⅱ－1－（3）

－Trend by Labour Force Characteristics (People Who Are Not in the Labour Force details （2）)－

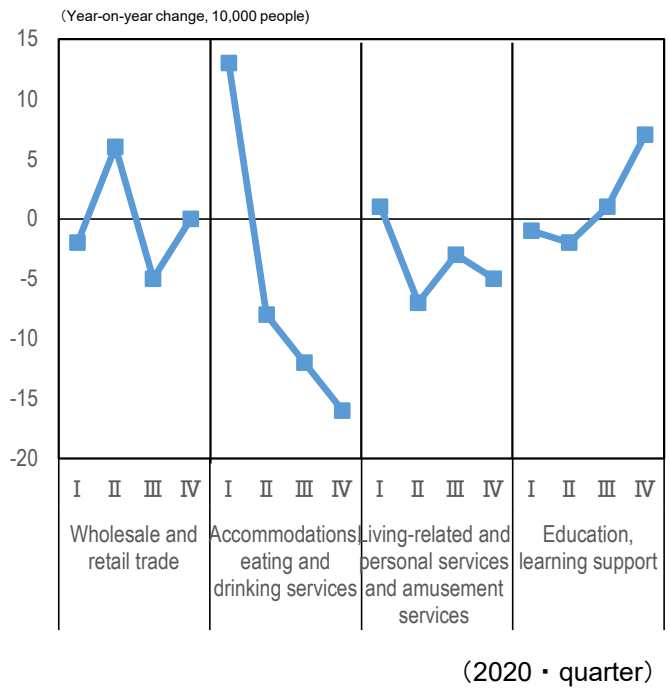
- The data on year-on-year changes in the number of student workers (both part-time and temporary workers) in industries with a large number of student workers show that the figure for the wholesale and retail trade industry dropped in the first and third quarters of 2020 from a year earlier respectively. The accommodations, eating and drinking services, living-related and personal services and amusement services industries also experienced year-on-year declines between the second and fourth quarters of 2020.
- The number of students not in the labour force soared in the second quarter of 2020 by 120,000 from the previous year. Those students were not in the labour force even in the third quarter and beyond.

Impact on employment of students （trend in numbers of employed students and those not in the labour force）

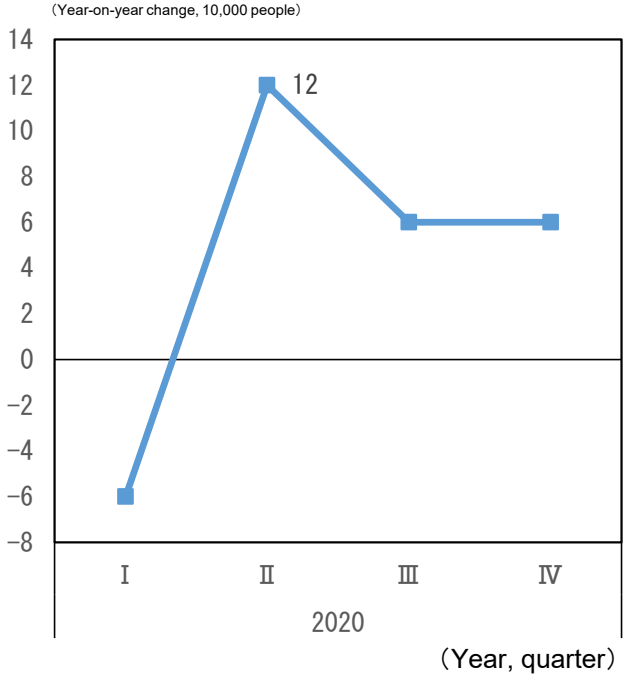
（1） Number of student workers (part-time and temporary workers) by industry (2019)



（2） Number of student workers (part-time and temporary workers) by industry (2020)



（3） Number of students not in the labour force (2020)



Source: “Labour Force Survey (Detailed Tabulation)”, MIC

(Notes) 1) Not seasonally adjusted data.

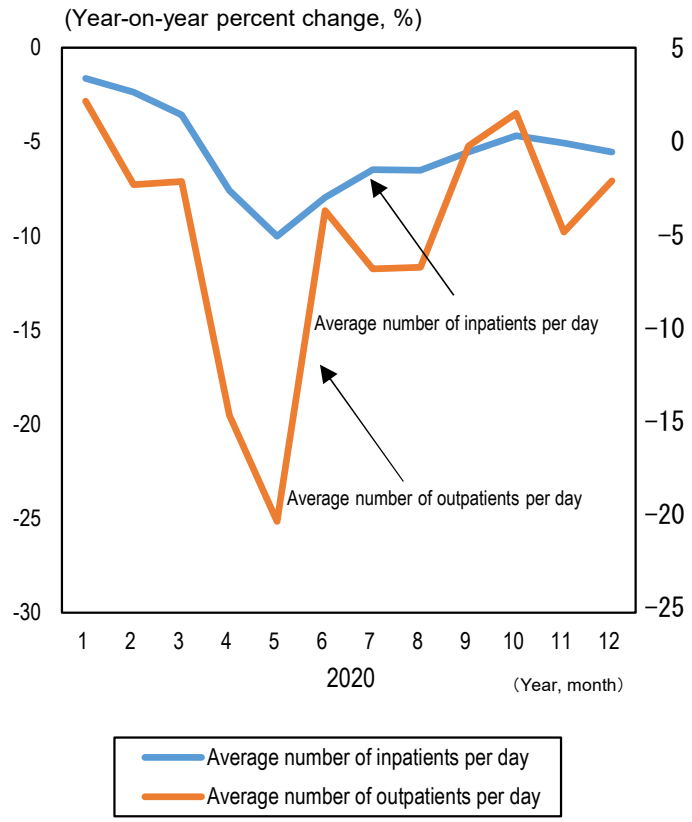
2) Students in the charts above refer to those ages 15-24 attending school. The number of employees in chart 1 and 2 represents the number of part-time workers and temporary workers.

3) The survey has counted only the number of student workers who are employed in the following industries that have a large number of employees: wholesale and retail trade, accommodations, eating and drinking services, living-related and personal services and amusement services, education and learning support.

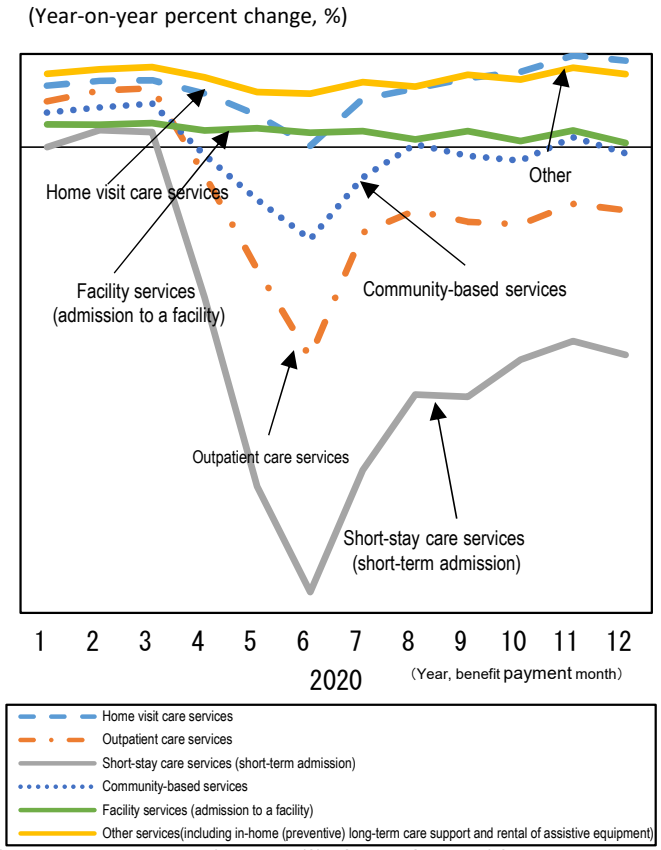
Ⅱ－2 Workers Who Were Required to Continue Working during the Pandemic — Trend by Industries (Use of Services and Consumption Behavior) —

- Workers in some sectors kept providing essential services to maintain the stability of people's lives and the national economy even when the country was under a state of emergency, including the state of emergency declared in April and May 2020.
- The data below show how service user behavior changed during the pandemic in the medical and other health services, care services and retail trade industries. In the medical and other health services industry, the average number of outpatients per day plunged, while the average number of inpatients decreased modestly. In the care services sector, the number of recipients of long-term care benefits for using some home-based care services declined. Such services include day care services and short-term overnight stays at nursing facilities. The figure for recipients of facility services (those who were admitted to nursing facilities) did not fall. What's more, in the retail trade industry, sales at department stores plunged, while those at supermarkets and drug stores increased. As the data suggest, the impact of the COVID-19 pandemic on service user behaviors varies by industry and requires careful attention.

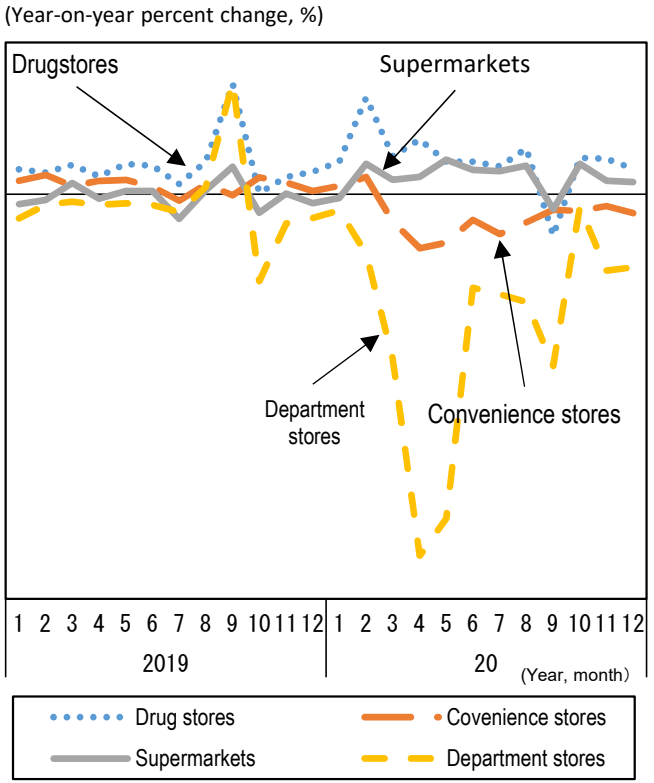
（１） Use of health care services



（２） Number of recipients of long-term care benefits



（３） Sales by type of retail stores



Source: "Hospital Report", MHLW for Figure (1); "Statistics of Long-term Care Benefit Expenditures", MHLW for Figure (2); "Current Survey of Commerce", Ministry of Economy, Trade and Industry for Figure (3)
(Notes) 1) Recipients of long-term care benefits in chart 2 refer to those who have received preventive long-term care services or long-term care services and filed an insurance claim in the month in which examinations of invoices for benefits were conducted. In principle, benefits are paid in the month following the month in which services were provided.
2) In chart 2, the number of recipients of long-term care benefits for using the following services reflects the combined number of persons requiring support and persons requiring long-term care: home visit care services, outpatient care services, short-stay care services (short-term admission), other services (including in-home (preventive) long-term care support and rental of assistive equipment) and community-based services. The number of recipients of benefits for using facility services (admission to a facility) reflects only the number persons requiring long-term care.

Ⅱ－2 —Analysis Focusing on the Medical and Other Health Services, Care Services, and Retail Trade Industries (Workers' Perceptions and Number of Employees)—

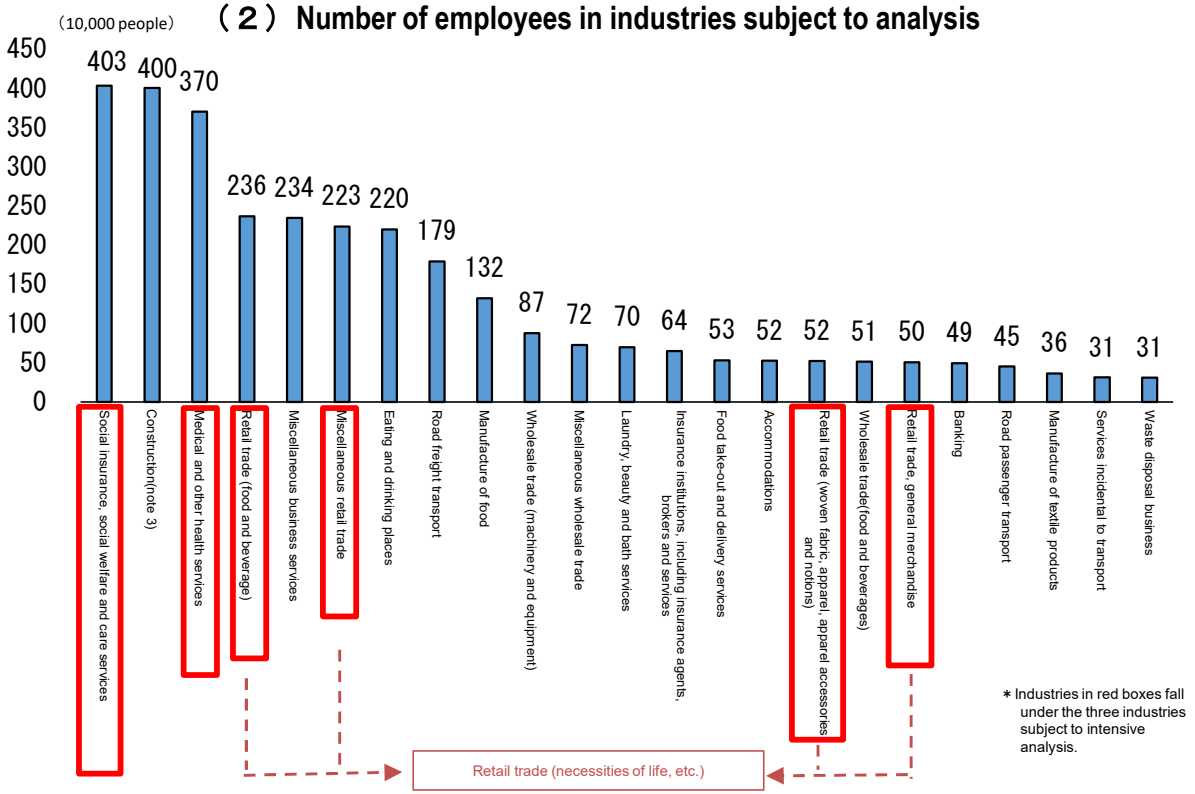
- This chapter analyzes how work was carried out during the pandemic, focusing on workers employed in the 25 industries (hereafter referred to as industries subject to analysis) with the largest number of employees among the business sectors (middle classification groups of Japan Standard Industrial Classification) listed in the basic guidelines for COVID-19 prevention measures as essential sectors that are required to provide services during a state of emergency. The analysis focuses more on workers in the medical and other health services, social insurance, social welfare and care services, and retail trade (necessities of life, etc.) industries than those in other industries.
- There are about 31.4 million workers in the 25 industries mentioned above. They account for about 53 percent of the total number of employees in the country (some 59.21 million workers). According to the data on employment by industry, industries with the largest employment are as follows: social insurance, social welfare and care services with 4.03 million employees, medical and other health services with 3.7 million, retail trade (necessities of life, etc.) with 5.61 million, and construction with 4.0 million.

※ The number of employees in the retail trade industry (necessities of life, etc.) is the sum of the number of workers in the "food and beverage," "retail trade of woven fabrics, apparel, apparel accessories and notions," and "miscellaneous retail trade" industries shown in the chart below.

（１） Industrial classification used in analysis by industry

INDUSTRIES SUBJECT TO ANALYSIS (INDUSTRY CLASSIFICATION MAJOR GROUP)	INDUSTRY CLASSIFICATION FOR ANAYSIS BY INDUSTRY
MEDICAL AND OTHER HEALTH SERVICES	MEDICAL AND OTHER HEALTH SERVICES
SOCIAL INSURANCE, SOCIAL WELFARE AND CARE SERVICES	SOCIAL INSURANCE, SOCIAL WELFARE AND CARE SERVICES
RETAIL TRADE, GENERAL MERCHANDISE	RETAIL TRADE(NECESSITIES OF LIFE, ETC.)
RETAIL TRADE (WOVEN FABRICS, APPAREL, APPAREL ACCESSORIES AND NOTIONS)	
RETAIL TRADE (FOOD AND BEVERAGE)	
MISCELLANEOUS RETAIL TRADE	
CONSTRUCTION WORK, GENERAL INCLUDING PUBLIC AND PRIVATE CONSTRUCTION WORK	CONSTRUCTION (CONSTRUCTION WORK, GENERAL INCLUDING PUBLIC AND PRIVATE CONSTRUCTION WORK, ETC.)
CONSTRUCTION WORK BY SPECIALIST CONTRACTOR, EXCEPT EQUIPMENT INSTALLATION WORK	
EQUIPMENT INSTALLATION WORK	
MANUFACTURE OF FOOD	MANUFACTURING (NECESSITIES OF LIFE, ETC.)
MANUFACTURE OF TEXTILE PRODUCTS	
ROAD PASSENGER TRANSPORT	TRANSPORT (ROAD PASSENGER TRANSPORT , ROAD FREIGHT TRANSPORT, ETC.)
ROAD FREIGHT TRANSPORT	
SERVICES INCIDENTAL TO TRANSPORT	
WHOLESALE TRADE (FOOD AND BEVERAGES)	WHOLESALE TRADE (NECESSITIES OF LIFE, ETC.)
WHOLESALE TRADE (MACHINERY AND EQUIPMENT)	
MISCELLANEOUS WHOLESALE TRADE	
BANKING	BANKING AND INSURANCE
INSURANCE INSTITUTIONS, INCLUDING INSURANCE AGENTS, BROKERS AND SERVICES	
ACCOMMODATIONS	ACCOMMODATIONS, EATING AND DRINKING SERVICES
EATING AND DRINKING PLACES	
FOOD TAKE OUT AND DELIVERY SERVICES	
LAUNDRY, BEAUTY AND BATH SERVICES	LIVING-RELATED AND PERSONAL SERVICES
WASTE DISPOSAL BUSINESS	SERVICES(WASTE DISPOSAL BUSINESS, ETC.)
MISCELLANEOUS BUSINESS SERVICES	

（２） Number of employees in industries subject to analysis



Source: "Economic Census 2014," Statistics Bureau, MIC for Figure (1); "Employment status survey 2017," Statistics Bureau of MIC for Figure (2)

(Notes) 1) Industries shown in chart 1 are the top 25 industries with the largest number of employees in the major groups of Japan Standard Industrial Classification (excluding government services). The number of employees in those industries are aggregated based on the number of employees working at enterprises listed in the Basic Response Policy: each of those enterprises is classified into a detailed industry that falls under one of the middle industry groups.)

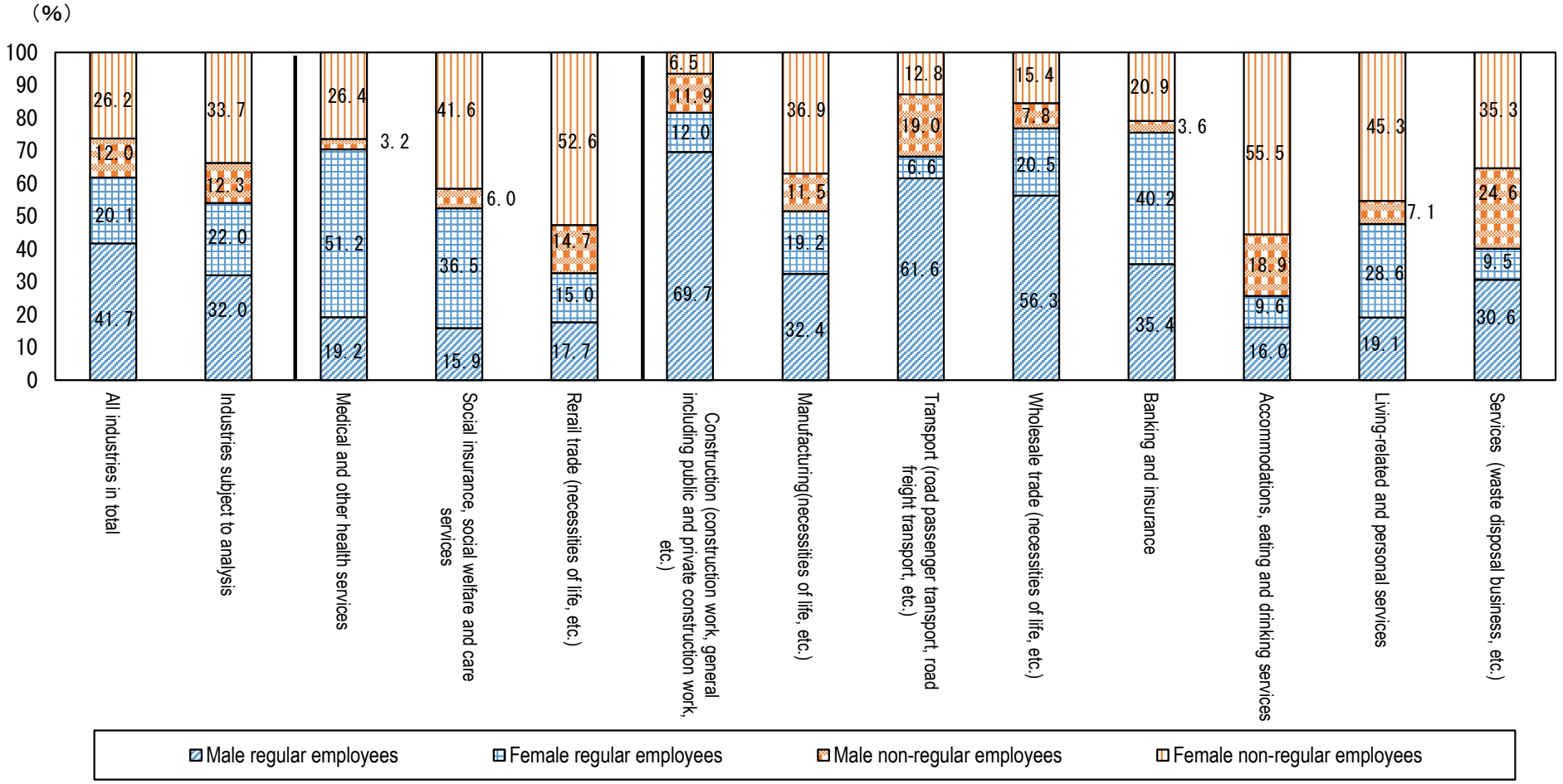
2) The number of employees by industry in the 2017 Basic Survey on Employment Structure shown in the chart 2 is the aggregated data compiled based on the number of employees in major or middle classification groups of Japan Standard Industrial Classification. Thus, the figures in the chart include employees in a wider range of industries than the 25 industries subject to analysis, and it should be noted that those figures given here are rough numbers.

3) "Construction work, general including public and private construction work", "equipment installation work" and "construction work by specialist contractor, except equipment installation work" in the middle classification group of the construction industry are subject to analysis. But those industries are displayed as "construction" in the chart 2 because they are grouped into the construction industry (the broad division of Japan Standard Industrial Classification) in the Basic Survey on Employment Structure.

Ⅱ－2 —Analysis Focusing on the Medical and Other Health Services, Care Services and Retail Trade Industries (Share of Employees by Gender, Type of Employment and Industry) —

- The data on the percentage of employees in the industries subject to analysis by gender and type of employment show that the proportion of non-regular employees in the said industries is slightly larger than that of all industries in total.
- The medical and other health services industry has a large share of female regular workers. Meanwhile, social insurance, social welfare and care services industry has a relatively high proportion of both female regular and non-regular employees.
- Industries such as retail trade (necessities of life etc.), accommodations, eating and drinking services, services such as waste disposal business and living-related and personal services have a relatively high percentage of female non-regular workers.

Percentage of employees in industries subject to analysis by gender and type of employment

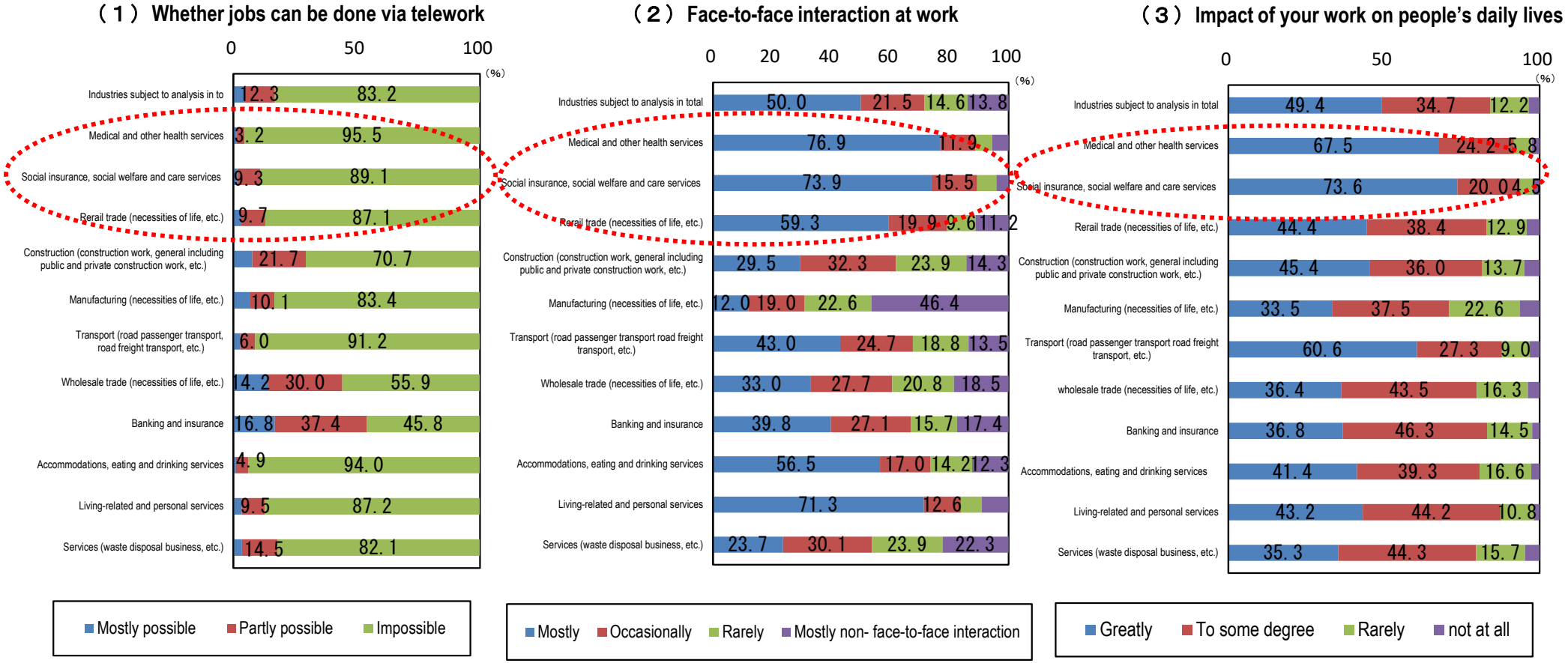


Source: “Employment status survey 2017,” Statistics Bureau of MIC
(Note) The data are compiled based on the industry classification in the previous page.

Ⅱ－2 —Analysis Focusing on the Medical and Other Health Services, Care Services, and Retail Trade Industries (Nature of Work by Industry)—

- Workers in the industries subject to analysis are more likely to answer no when asked whether their jobs can be done remotely from home.
- Respondents working in industries such as healthcare, social insurance, social welfare and care services, living-related and personal services and retail trade (necessities of life, etc.) are more likely to say their main job duties require face-to-face interaction with clients and service users.
- Workers in industries such as healthcare, social insurance, social welfare and care services, transport (road passenger transport and road freight transport, etc.) are more likely than those in other industries to say that people's lives will be affected if they don't work.

Nature of work（worker survey）



Source:" Survey on Workers' Working Style under the Spread of New Coronavirus Infections (Workers' Survey)2021,"The Japan Institute for Labour Policy and Training

(Notes) 1) Chart 1 shows the results of a survey asking workers whether their jobs can be done via telework. Respondents who have no experience of teleworking are allowed to answer the question by guessing from their job duties.

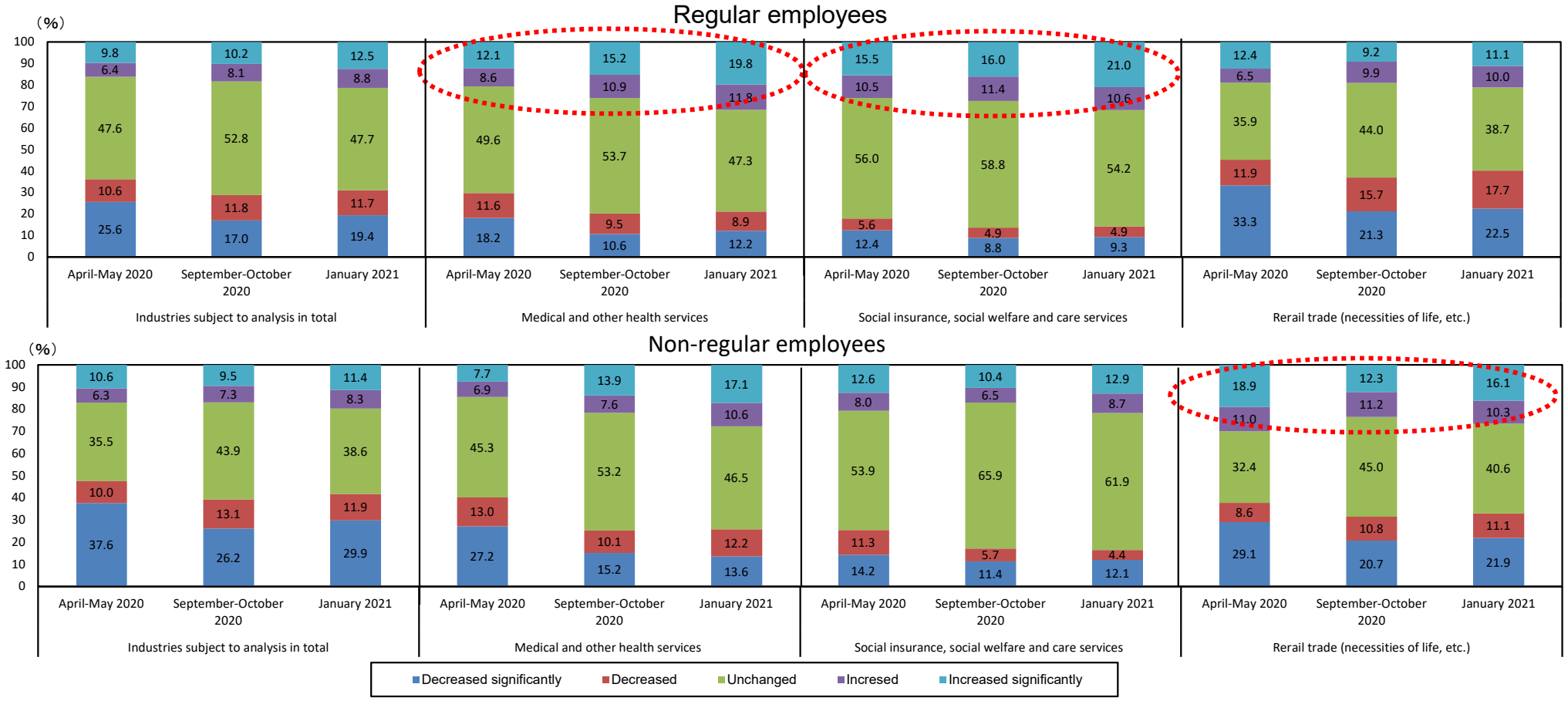
2) Chart 2 shows the results of a survey asking workers how often they need face-to-face interactions with people outside the company at work.

3) Chart 3 shows the results of a survey asking workers how much it would affect people's daily lives if no one did their job.

Ⅱ－2 —Analysis Focusing on the Medical and Other Health Services, Care Services, and Retail Trade Industries (Busyness from the Viewpoint of Workers （１）)—

- The data on the level of busyness from the viewpoint of workers (subjective busyness) during a certain period of time show that regular employees working in the medical and other health services, and social insurance, social welfare and care services industries are more likely than those in the entire 25 industries subject to analysis to say that their levels of busyness have increased significantly or increased, and less likely to say that the levels have decreased significantly or decreased.
- Non-regular employees working in the retail trade (necessities of life, etc.) industry are more likely than regular employees in the same industry to report that their levels of busyness have increased significantly or increased and less likely to say levels have decreased significantly or decreased.

Increase and decrease: level of subjective busyness（worker survey）



Source:" Survey on Workers' Working Style under the Spread of New Coronavirus Infections (Workers' Survey)2021,"The Japan Institute for Labour Policy and Training

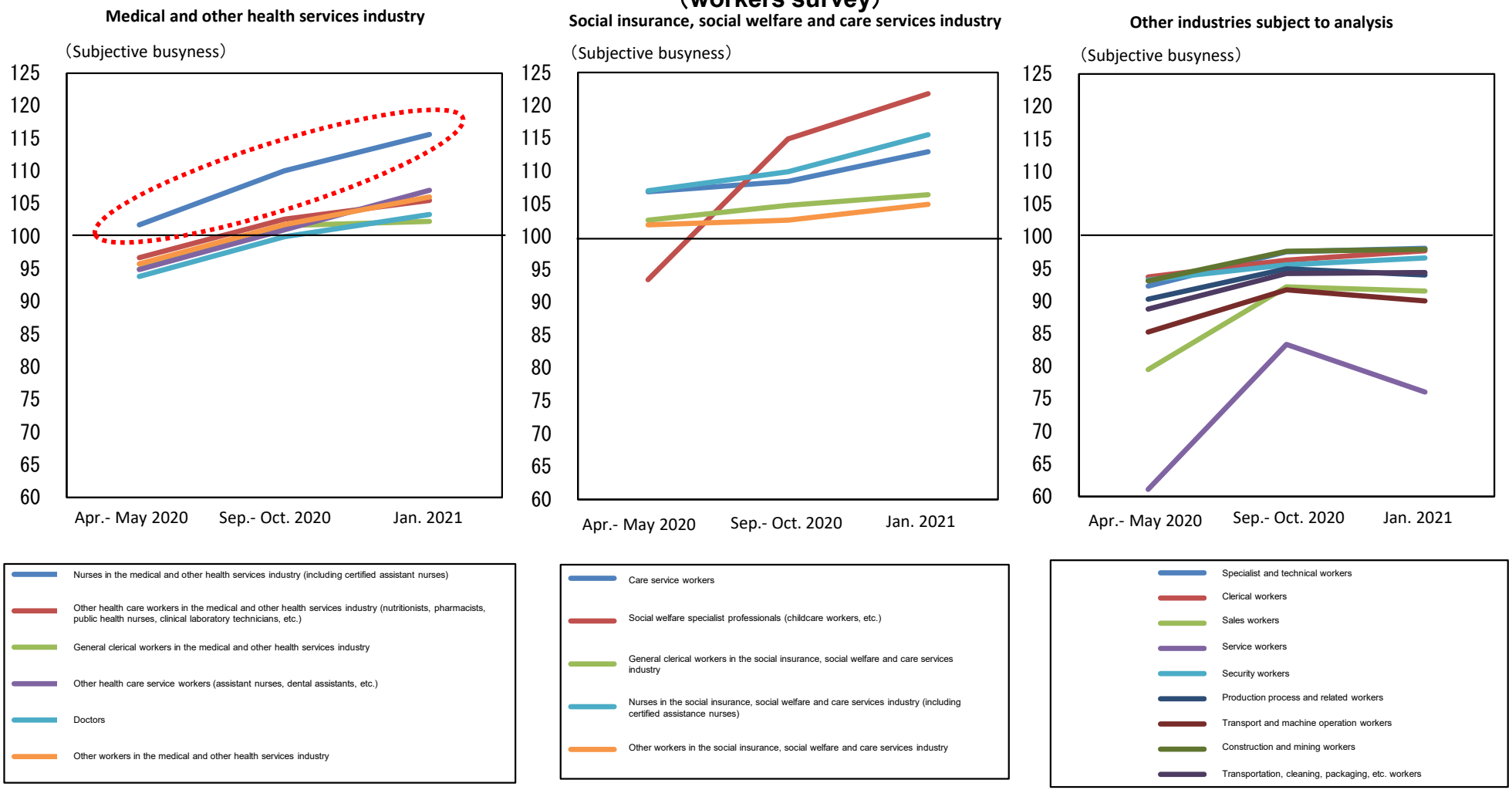
(Notes) 1) The survey has asked workers to rate the level of subjective busyness in each period on a scale of 0-300, with 100 representing busyness in normal times (in and before January 2020). For instance, if they feel 1.3 times busier when the county is under the state of emergency than in normal times, they'd answer 130. And if they feel half as busy, they'd answer 50.

2) Scores ranging from 0 to 79: the level of subjective busyness decreased considerably; scores ranging from 80 to 99: busyness decreased; scores ranging from 101 to 120: busyness increased; scores ranging from 121 to 300; busyness increased considerably. If the score is 100, it means the level of busyness did not change.

Ⅱ－2 —Analysis Focusing on the Medical and Other Health Services, Care Services, and Retail Trade Industries (Busyness from the Viewpoint of Workers （２）)—

- The data on subjective busyness show that the average level of busyness reported by nurses working in the medical and other health services industry and workers providing a range of services in the social insurance, social welfare and care services industry began to exceed 100 (the level of busyness in normal times=100) around April and May in 2020 and continued to go up over time.

Average scores of level of subjective busyness (busyness in normal times= 100) by occupation subject to analysis （workers survey）



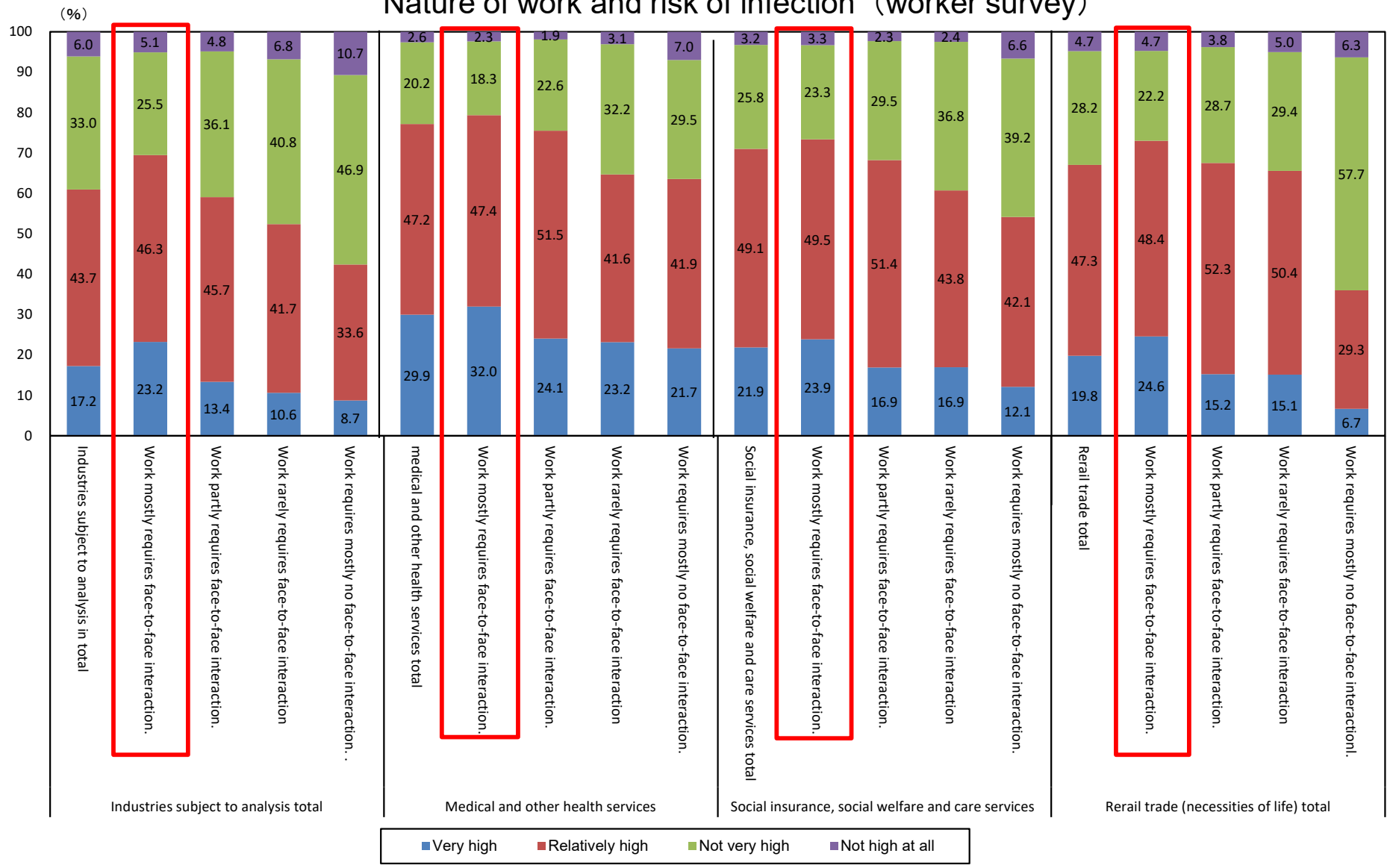
Source:" Survey on Workers' Working Style under the Spread of New Coronavirus Infections (Workers' Survey)2021,"The Japan Institute for Labour Policy and Training

(Note) A survey has asked workers to rate the level of subjective busyness on a scale of 0-300, with 100 representing the level of busyness in normal times (before January 2020). For instance, if they feel 1.3 times busier while the county is under the state of emergency than in normal times, they'd answer 130. And when they feel half as busy, they'd answer 50.

Ⅱ－2 —Analysis Focusing on the Medical and Other Health Services, Care Services, and Retail Trade Industries (Perceived risk of infection)—

- People in occupations involving much face-to-face interactions of longer duration tend to feel that they are at higher risk of infection.

Nature of work and risk of infection （worker survey）



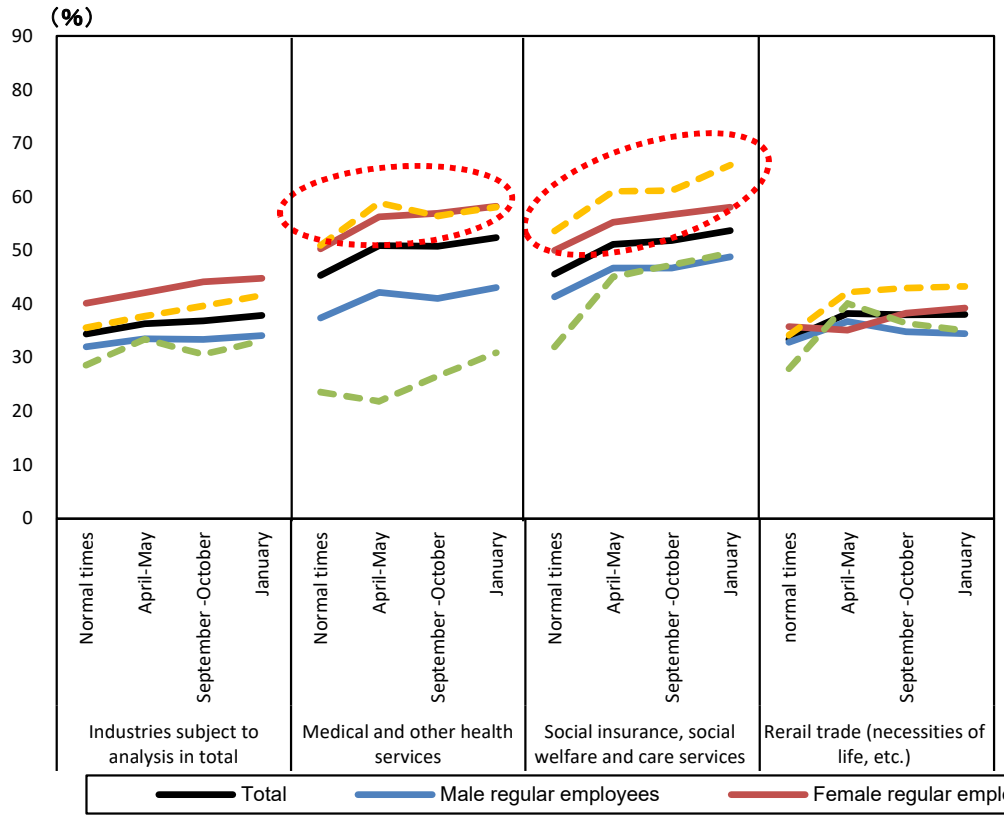
Source:" Survey on Workers' Working Style under the Spread of New Coronavirus Infections (Workers' Survey)2021,"The Japan Institute for Labour Policy and Training

(Note) The chart shows the result of a survey asking workers, "How much higher did you feel the risk of infection was when working in the office compared with when working elsewhere (including working from home) under a state of emergency?" The state of emergency was imposed from April through May and from September through October 2020 as well as in January 2021. Those respondents are divided into groups according to the answers they gave to the question about the frequency of face-to-face interactions with people outside their company such as customers, service users and clients at work.

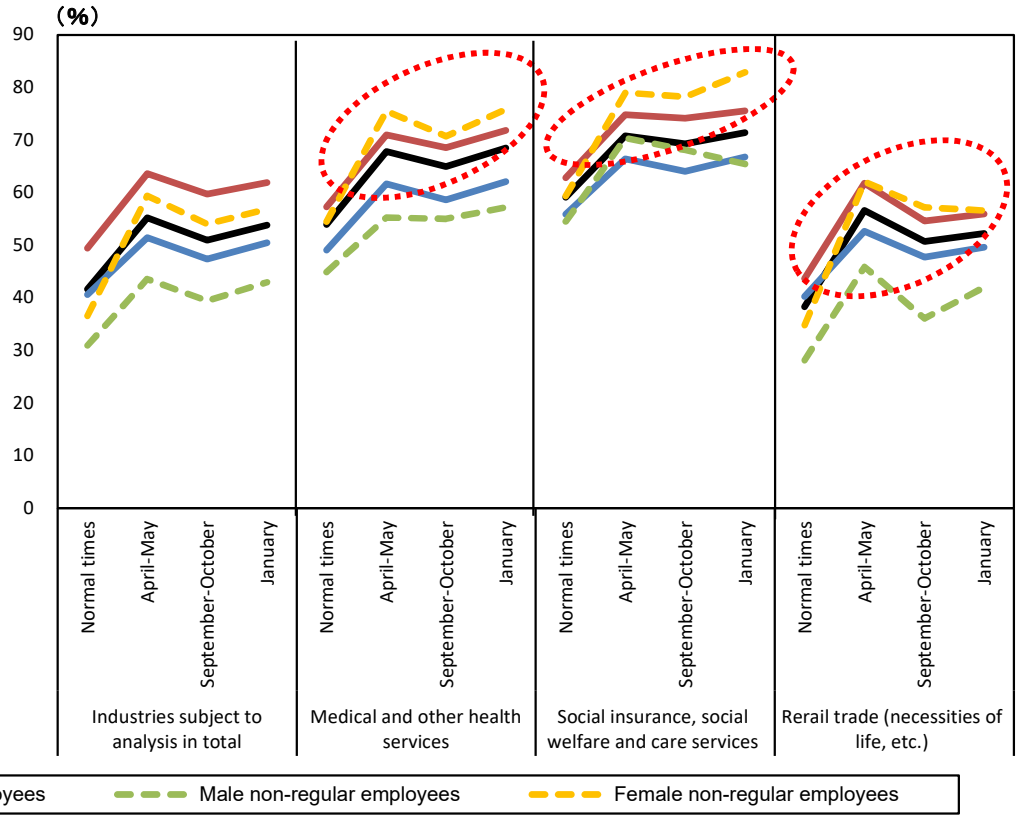
Ⅱ－2 —Analysis Focusing on the Medical and Other Health Services, Care Services, and Retail Trade Industries (Workers' Mental and Physical Burdens)—

- Workers in the medical and other health services, and social insurance, social welfare and care services industries were more likely than those in other industries to respond even in normal times (before the pandemic) that they experienced heavy mental and physical burdens. The percentage of such workers in the medical and other health services, and social insurance, social welfare and care services industries rose further between April and May 2020 and increased again in January 2021 to the level reached in April and May 2020. Meanwhile, the percentage of workers in the retail trade (necessities of life, etc.) industry who responded their jobs posed a great psychological burden on them also rose between April and May 2020. Among workers in any industry, an increase in mental burden was more significant than an increase in physical burden.
- The percentage of workers (both regular and non-regular employees) who reported heavy physical and mental burdens from work is higher among females than males.

（1）Percentage of workers who reported heavy physical burdens at work（worker survey）



（2）Percentage of workers who reported heavy mental burdens at work (worker survey)

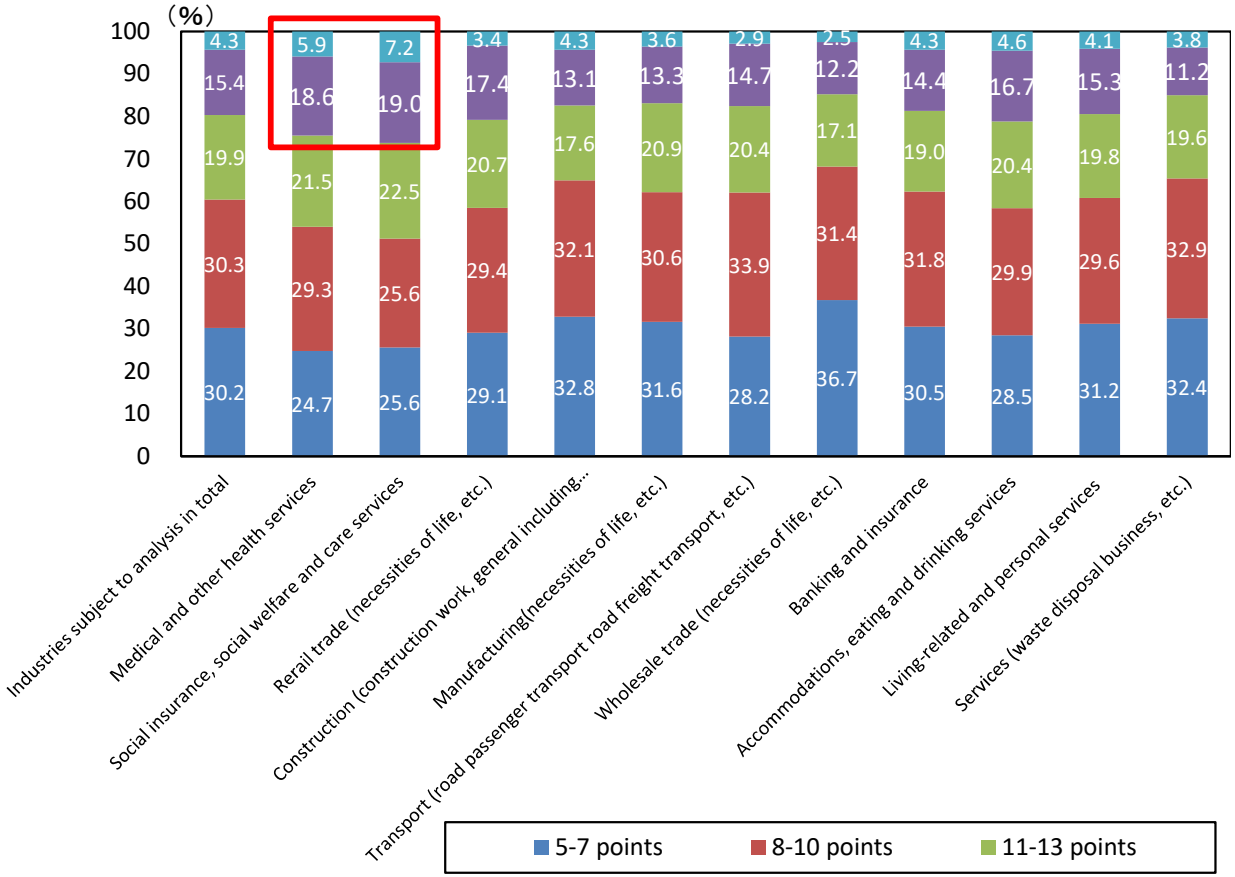


Source:" Survey on Workers' Working Style under the Spread of New Coronavirus Infections (Workers' Survey)2021,"The Japan Institute for Labour Policy and Training
(Notes) 1) Chart 1 shows the number of respondents who said "huge" or "great" in a survey asking workers to assess their physical burden at work during each period.
2) Chart 2 shows the number of respondents who said "huge" or "great" in a survey asking workers to assess their mental burden at work during each period.
3) In charts 1 and 2, normal times refer to the period in and before January 2020, and the "April to May" and "September to October" mean those periods in 2020 while the "January" refers to the month in 2021.

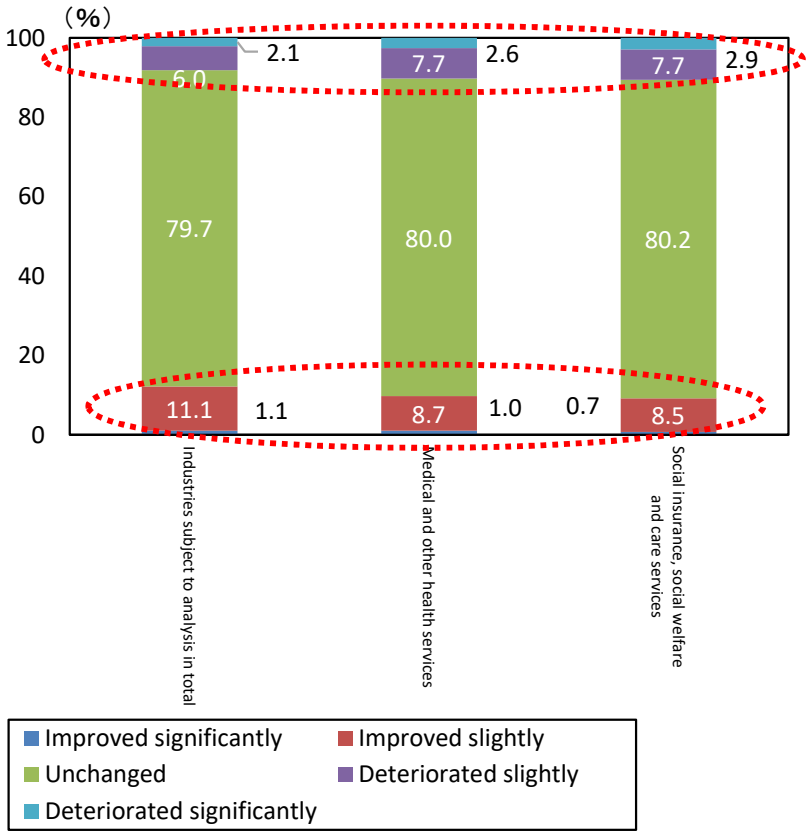
Ⅱ－2 ―Analysis Focusing on the Medical and Other Health Services, Care Services, and Retail Trade Industries (Changes in Health Conditions)―

- Workers in the medical and other health services, and social insurance, social welfare and care services industries are more likely than those in other industries to report higher scores for the indicators that gauge the degree of deterioration in workers' health. This suggests that increased workloads during the pandemic have had a negative impact on workers' health in certain industries.
- A survey looking at workers' health conditions between September and October in 2020 (after the country's first state of emergency was lifted) shows that workers in the medical and other health services, and social insurance, social welfare and care services industries are more likely than all workers combined in the 25 industries subject to analysis to report deterioration in their health conditions and less likely to say their health improved. This indicates that workers' health issues are more serious in the medical and other health services, social insurance, social welfare and care services industries than in other industries.

（１） Changes in health conditions （worker survey）



（２） Improvement in health after the state of emergency between September and October 2020 was lifted



Source:" Survey on Workers' Working Style under the Spread of New Coronavirus Infections (Workers' Survey)2021,"The Japan Institute for Labour Policy and Training

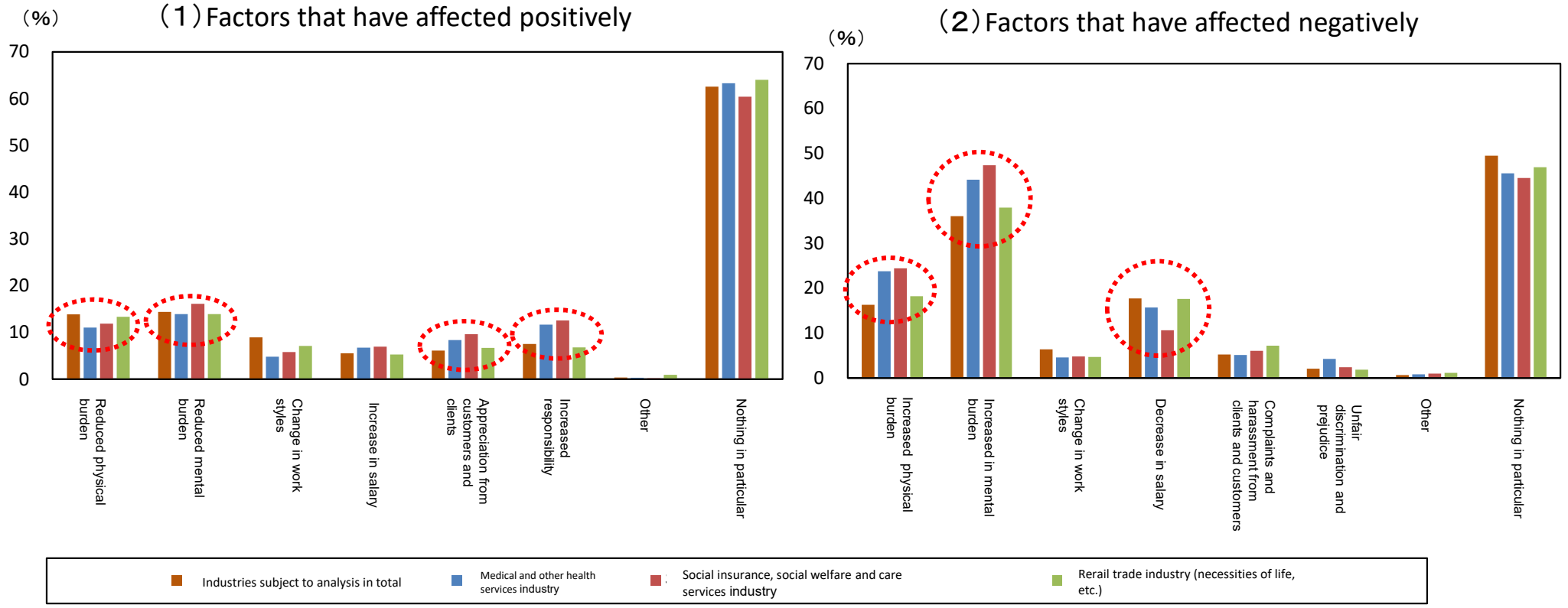
(Notes) 1) Chart 1 shows the results of a survey asking workers to rate their health conditions during the state of emergency in April and May 2020 if scores to answer options are allocated as follows: very applicable =4, moderately applicable=3,not very applicable=2, and not applicable at all=1. Workers were asked to choose an option that indicates how applicable each of the following statements is to them: "I've been having difficulty falling asleep recently or having poorer sleep quality," "I've experienced symptoms that can be associated with mental fatigue such as a lack of appetite and depression," "I've been feeling not well these days," "I've been having symptoms that can be associated with physical fatigue such as headache and back pain," "I've been feeling very tired lately." This scored survey suggests that the higher the score, the worse workers' health conditions tend to be.

2) Chart 2 shows the results of a survey asking workers whether their health has improved after the state of emergency declaration (from September through October 2020) was lifted.

Ⅱ－2 —Analysis Focusing on the Medical and Other Health Services, Care Services, and Retail Trade Industries (Factors Affecting Job Satisfaction)—

- When asked about factors affecting job satisfaction, many workers report that reduced physical and mental burdens have improved their job satisfaction. Meanwhile, more workers say a heavier mental burden has lowered their level of job satisfaction. There are also many workers who say a decrease in pay has had a negative impact on job satisfaction.
- Among people working in the medical and other health services, and social insurance, social welfare and care services industries, a relatively large number of them say that appreciation from users and clients and a stronger sense of responsibility have had a positive impact on their job satisfaction.

Factors affecting job satisfaction（worker survey）



Source:" Survey on Workers' Working Style under the Spread of New Coronavirus Infections (Workers' Survey)2021,"The Japan Institute for Labour Policy and Training

(Notes) 1) Chart 1 shows the results of a survey asking workers to select one or more options from a list of answers to a question about factors that made positive contribution to job satisfaction during the state of emergency in April and May compared with normal times (in and before January 2020).

2) Chart 2 shows the results of a survey asking workers to select one or more options from a list of answers to a question about factors that made negative contribution to job satisfaction during the state of emergency in April and May compared with normal times (in and before January 2020).

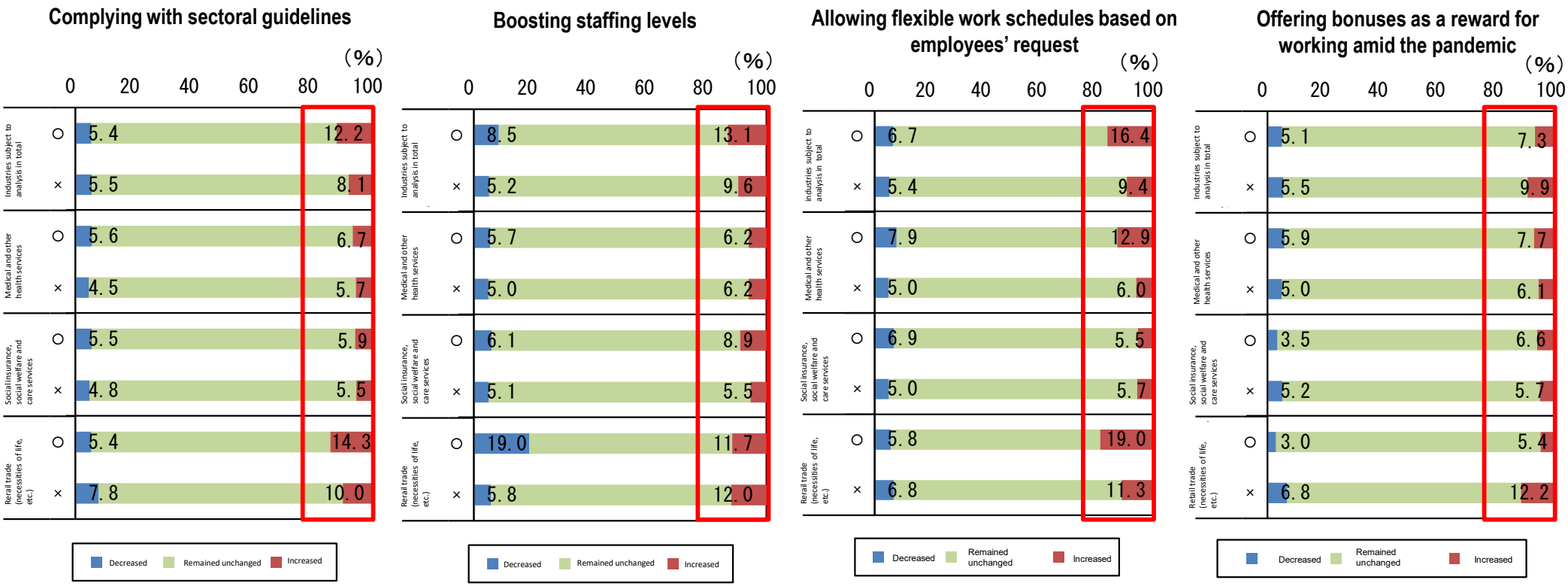
3) Respondents are allowed to select one or more options.

Ⅱ－2 —Analysis Focusing on the Medical and Other Health Services, Care Services, and Retail Trade Industries (Measures for Responding to the Pandemic in Workplaces and Job Satisfaction)—

- Employees working for employers who have continuously taken steps to respond to the COVID-19 outbreak are generally more likely than those working for employers who have not taken any action to say that their job satisfaction level has gone up. Measures taken by employers include: complying with sectoral guidelines, boosting staffing levels, allowing flexible work schedules based on employees' request and offering bonuses as a reward for working amid the pandemic.
  Note: ○ in the chart below means measures have been taken by the employer while × means that no action has been taken.

※ In the retail trade (necessities of life, etc.) industry, employees working for employers who have increased staffing levels are more likely than those working for employers who have not taken such steps to report their satisfaction level has fallen. And employees working for employers who have NOT offered their workers bonuses as a reward for working amid the pandemic are more likely than those working for employers who have offered special allowances to report an increase in job satisfaction. A combination of various factors such as workloads and the perception of infection risks may be affecting job satisfaction.

Changes in levels of job satisfaction by implementation of measures to respond to the pandemic in workplaces（worker survey）



Source:" Survey on Workers' Working Style under the Spread of New Coronavirus Infections (Workers' Survey)2021,"The Japan Institute for Labour Policy and Training

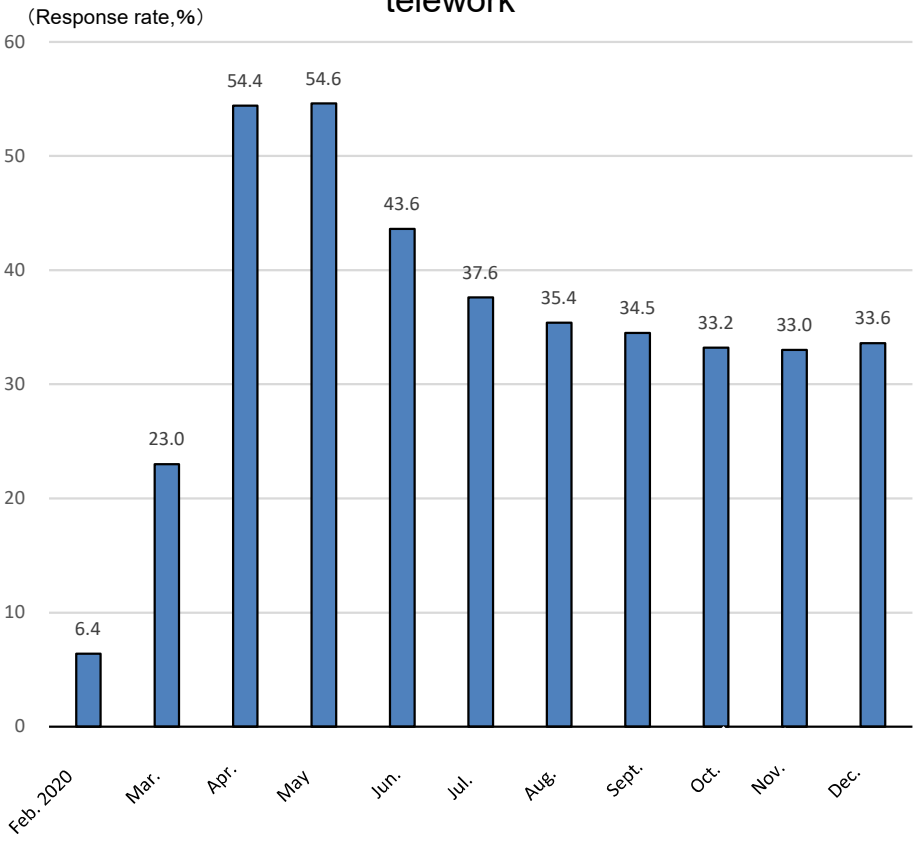
(Notes) 1) A survey has asked workers whether their employer took each measure stated above to respond to the COVID-19 outbreak during the periods between April and May 2020 and September and October 2020, and then split those respondents into two groups according to the answers: those who said measures were taken in both periods and those who said measures were not taken. The chart above shows the percentage of workers in each group whose job satisfaction increased.

2) In this survey on the level of job satisfaction in each period, workers were asked to select an option from the following list of answers: very high, slightly high, neither high nor low, slightly low, very low. If workers' level of job satisfaction improved between the April to May period of 2020 and the September to October period of 2020, it is counted as "increased". For instance, when a worker's satisfaction level changed from "slightly high" to "very high," it is counted as an increase in satisfaction.

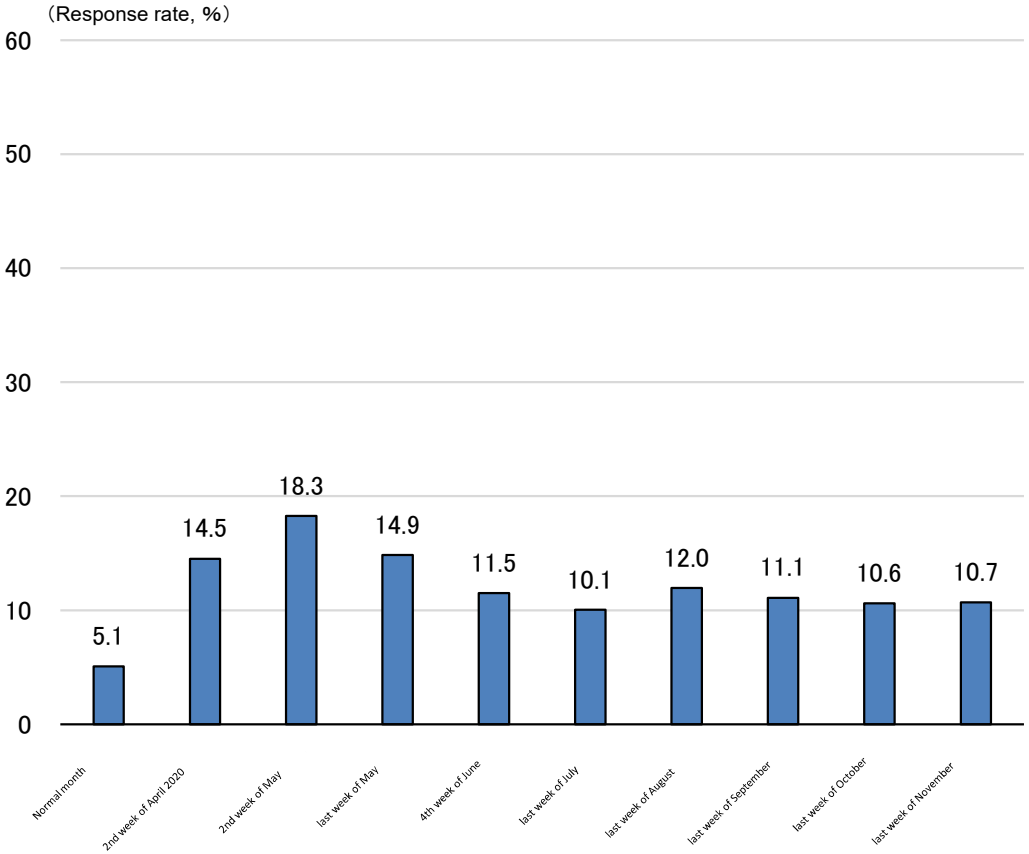
Ⅱ－3 Workers who Teleworked during the Pandemic－Implementation of Telework (Implementation Rate)－

- The COVID-19 pandemic prompted a surge in teleworking in 2020. The implementation rate of telework increased both for workers and enterprises in April and May 2020, when the country was under a state of emergency. But once the state of emergency was lifted, some companies and workers moved away from teleworking. Based on telework data and trends, this chapter analyzes challenges of making telework the new normal.

（1）Percentage of enterprises that implemented telework



（2）Percentage of workers who teleworked



Source: ”Third JILPT Panel Survey on the Impact of COVID-19 on Enterprise Management 2021”, The Japan Institute of Labour Policy and Training for Figure (1); “Third JILPT Panel Survey on the Impact of COVID-19 on Work and Daily Life 2020”, The Japan Institute of Labour Policy and Training for Figure (2)

(Notes) 1) A normal month in chart 2 assumes any month prior to the COVID-19 outbreak.

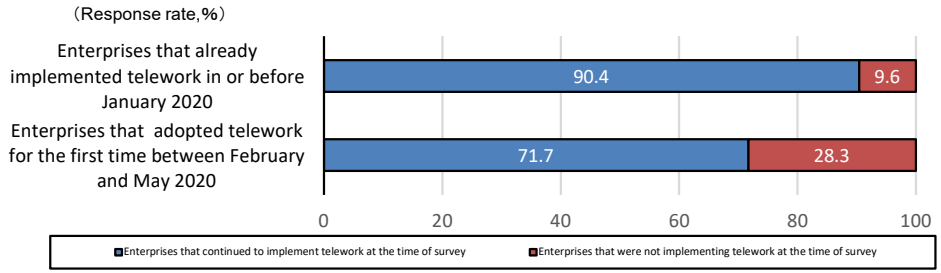
2) Workers who teleworked in chart 2 refer to those who meet the following four conditions:

- Private sector employees who were working for the same company at the time of the December 2020 survey as they were in April 2020
- Those who responded to all of the first three panel surveys
- Respondents who indicated that the company they work for implements telework
- Respondents other than those who answered that they do not telework

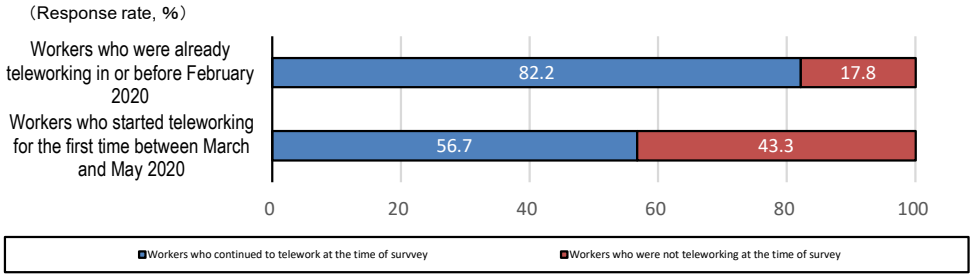
Ⅱ－3 ―Telework Trends (Continuity, Practice and Frequency by Timing of the Start of Teleworking)―

- Enterprises that already implemented telework prior to the pandemic are more likely than those that introduced telework amid the pandemic to continue to implement telework. The same holds true for employees who were already teleworking before the pandemic. They are more likely than those who started teleworking during the pandemic to continue teleworking.
- Enterprises that introduced telework before the pandemic tend to implement telework more properly than those that adopted telework amid the pandemic. Meanwhile, the average number of teleworking days is less likely to decline even after a state of emergency was lifted among workers who were teleworking prior to the pandemic.

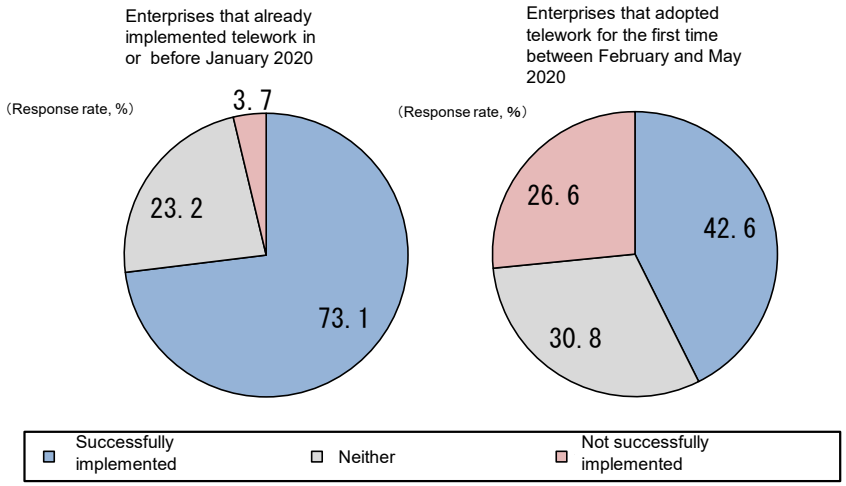
（１） Continuation of telework by timing of the start of teleworking (Enterprises, at the time of survey in January 2021)



（２） Continuation of telework by timing of the start of teleworking (Workers, at the time of survey in December 2020)

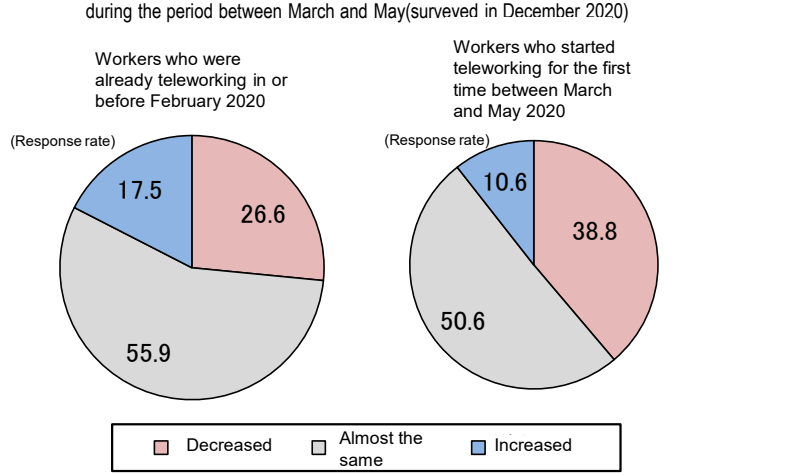


（３） Implementation of telework at enterprises



（４） Telework frequency among workers

※Number of days teleworked in the past month compared with the average number of telework days per month during the period between March and May(surveyed in December 2020)



Source: "Third JILPT Panel Survey on the Impact of COVID-19 on Enterprise Management 2021", The Japan Institute of Labour Policy and Training for Figure (1) and (3); "Third JILPT Panel Survey on the Impact of COVID-19 on Work and Daily Life 2020", The Japan Institute of Labour Policy and Training for Figure (2) and (4)

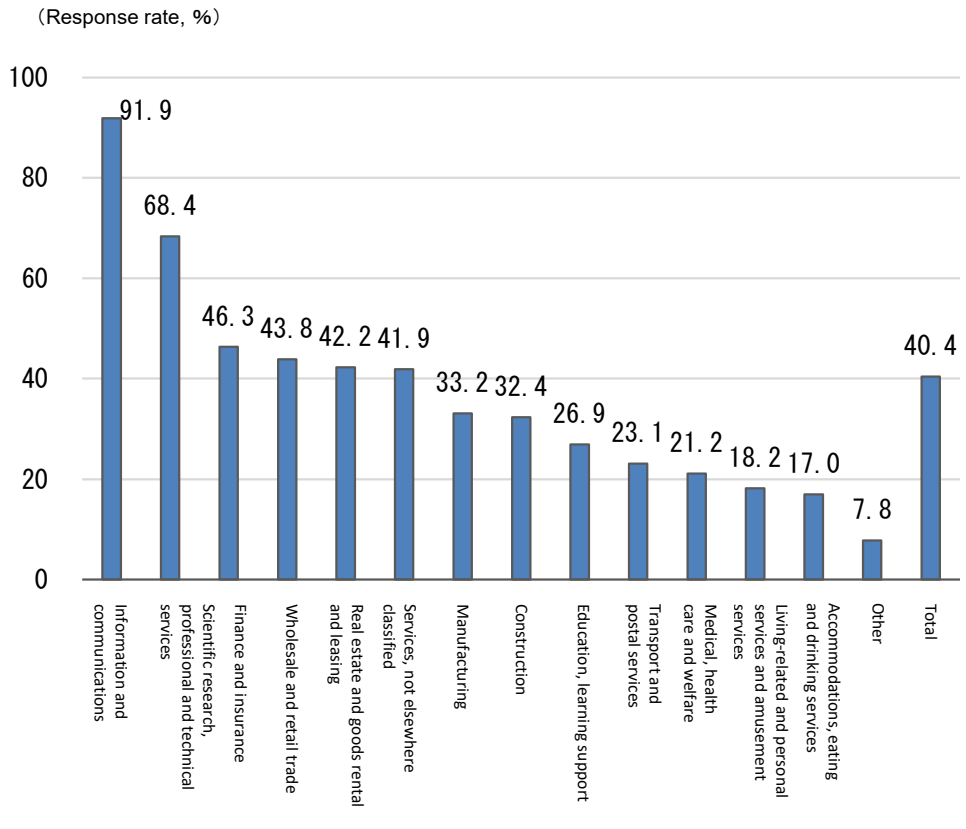
(Notes) 1) "Enterprises that already implemented telework in or before January 2020" in chart 1 refer to those enterprises answering "January 2020 or before" when asked about the timing of starting telework. "Enterprises that adopted telework for the first time between February and May" in chart 1 refer to those enterprises answering "sometime between February and March" and "sometime between April and May" (under the state of emergency)" when asked about the timing of starting telework.

2) Chart 3 shows the results of a survey asking enterprises that have implemented telework to select an option from the following list of answers to a question about the implementation of telework: Excellently managed, Passably well managed, Not sure, Not very well managed, and Not managed at all. The figure for "successfully implemented" in chart 3 represents the total figure for enterprises choosing "Excellently managed" and "Passably well managed " in the list. The figure for "not successfully implemented" represents the total figure for enterprises choosing "Not very well managed " and "Not managed at all ."

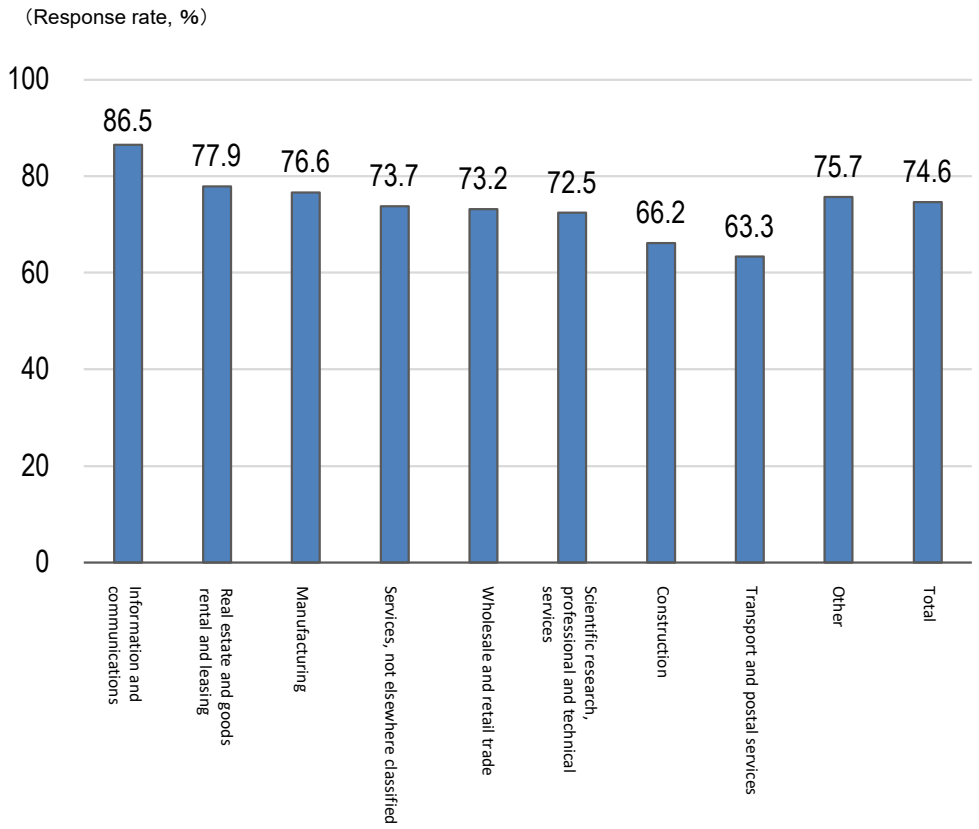
Ⅱ－3 ―Telework Trend (Implementation and Continuity by Industry (Enterprises))―

- Industries with a relatively high percentage of enterprises that have ever implemented telework are information and communications, and scientific research, professional and technical services, etc. Meanwhile, industries with a relatively low percentage of companies that have ever implemented telework include medical, health care and welfare, and transport and postal services. Such industries may have lagged behind in adopting telework due to the nature of work that requires physical presence and face-to-face interactions.
- Even in industries with a low percentage of enterprises that have ever implemented telework such as construction, and transport and postal services, more than 60 percent of enterprises continued to implement telework at the time of survey. This suggests that it may be possible for telework to take root in those industries.

(1) Percentage of enterprises that have ever implemented telework



(2) Percentage of enterprises that continued to implement telework at the time of survey

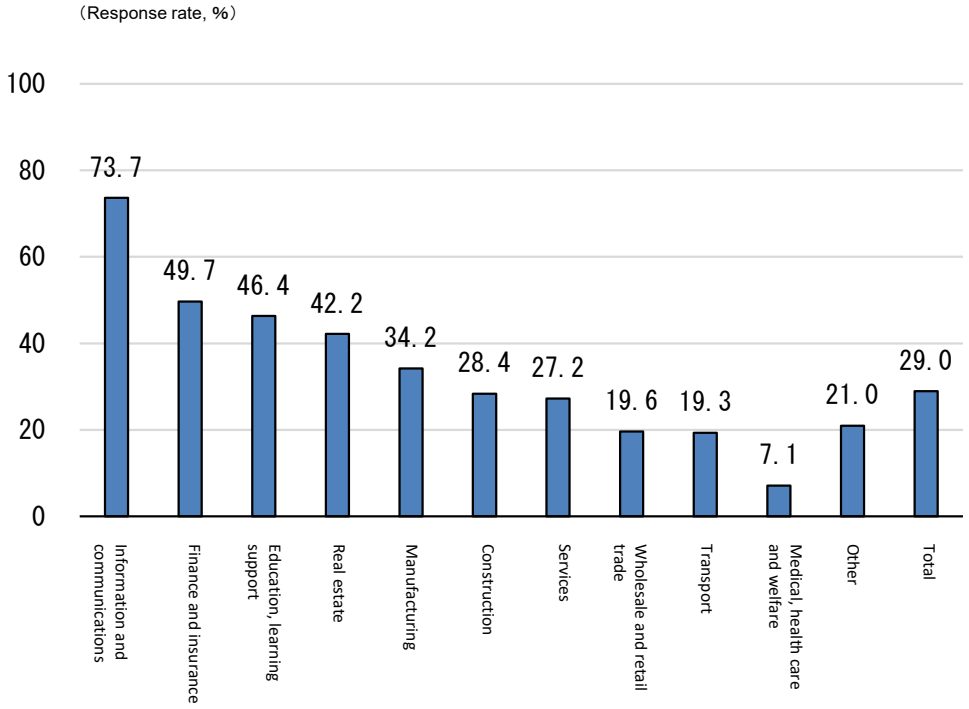


Source: "Third JILPT Panel Survey on the Impact of COVID-19 on Enterprise Management 2021", The Japan Institute of Labour Policy and Training
(Note) Other in chart 2 refers to the following industries with a small sample size: medical, health care and welfare, education and learning support, finance and insurance, living-related and personal services and amusement services, compound services, and accommodation, eating and drinking services.

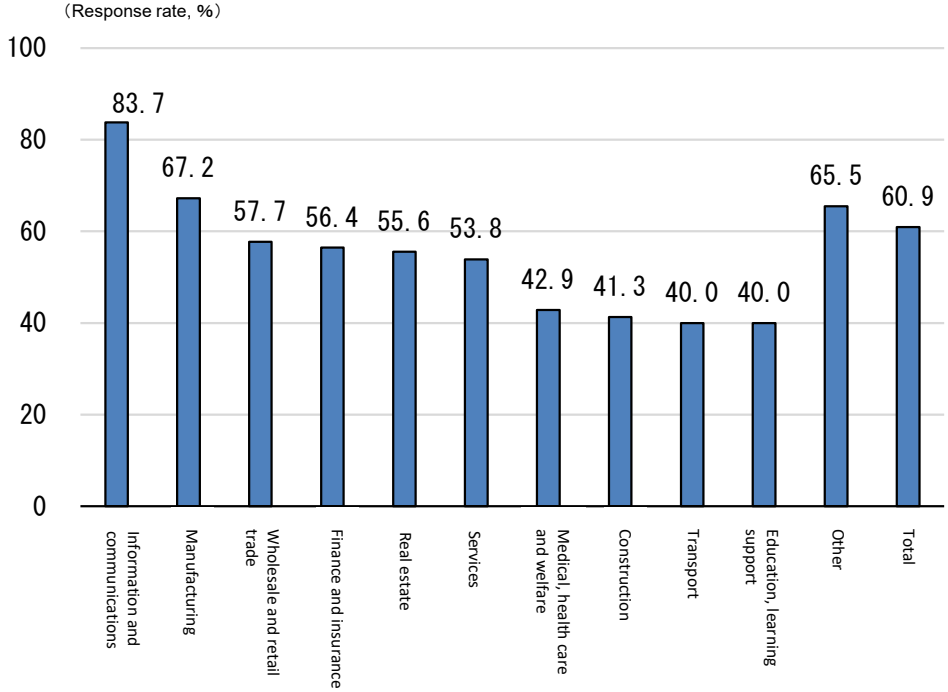
Ⅱ－3 ―Telework Trends (Implementation and Continuity by Industry (Workers))―

- Industries with a relatively high percentage of workers who have experience of teleworking include information and communications, finance and insurance, and education and learning support. Meanwhile, the share of workers who have ever experienced teleworking is relatively low in industries such as medical, health care and welfare, transport, wholesale and retail trade. As the analysis in the previous page indicates, workers in those industries may have had lower access to telework due to the nature of work that requires physical presence and face-to-face interactions.
- The percentage of workers who continued to telework at the time of survey was high in some of the industries with a low percentage of workers who have experience of teleworking such as manufacturing, wholesale and retail trade. This suggests that it may be possible to make telework the new normal in industries with a relatively low percentage of workers who have experience of teleworking if workers' occupations and the nature of work are taken into account.

（1）Percentage of workers who have ever teleworked



（2）Percentage of workers who continued to telework at the time of survey



Source: "Third JILPT Panel Survey on the Impact of COVID-19 on Work and Daily Life 2020", The Japan Institute of Labour Policy and Training

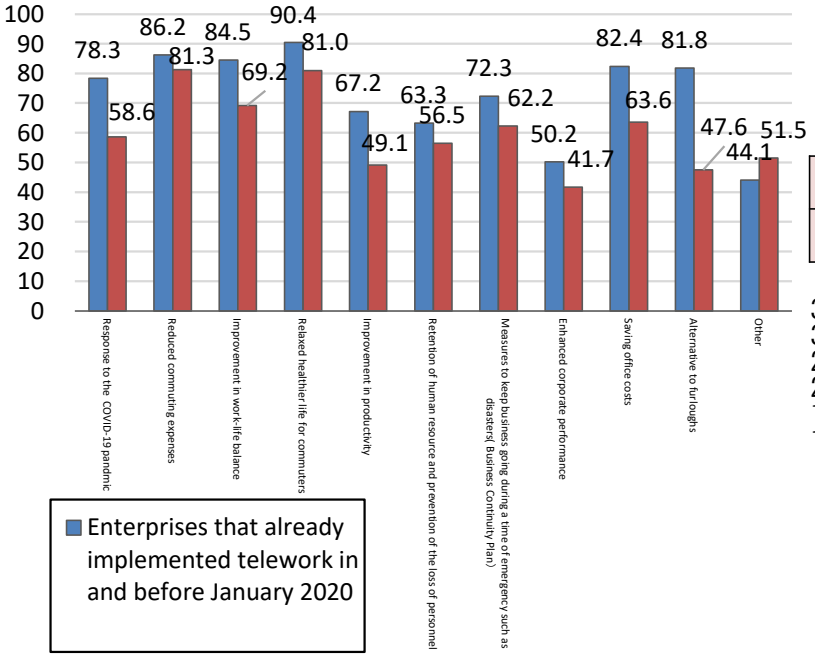
Ⅱ－3 —Challenges of Making Telework the New Normal (Effects of Telework, Work Productivity and Job Satisfaction, etc.)—

- Enterprises that implemented telework prior to the pandemic are more likely than those that introduced telework for the first time during the pandemic to report they have realized positive effects of telework such as improvement in work-like balance and increased productivity.
- Workers who had experience of teleworking before the pandemic reported higher average, median and overall scores than those who began teleworking for the first time amid the pandemic when asked to rate their “productivity and efficiency” and “fulfillment and satisfaction” of teleworking on a scale of 0-200 if “productivity and efficiency” and “fulfillment and satisfaction” of working in the office is 100. Though the respondents in both groups reported average and median scores that are lower than 100, declines in scores were smaller among workers who were already teleworking prior to the pandemic.

※It should be noted that scores for “productivity and efficiency” and “fulfillment and satisfaction” may be high among employees working at companies that implemented telework prior to the pandemic because it was easier for those enterprises to adopt telework due to the nature of work and other factors.

（1） Percentage of enterprises that have reported positive effects of telework by timing of the start of teleworking

（Response rate, %, multiple answers allowed）



（2） Productivity and satisfaction at work, etc. by timing of the start of teleworking

※ The bar charts below display the score distributions among workers who were already teleworking in and before February 2020 and those who started teleworking for the first time between March and May 2020 overlaid.

Productivity and efficiency at work

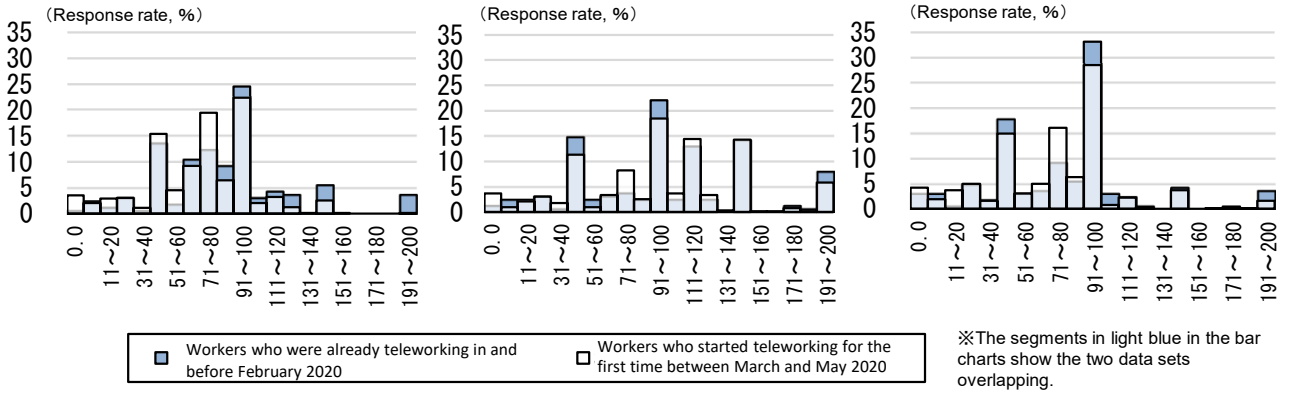
	Workers who were already teleworking in and before February 2020	Workers who started teleworking for the first time between March and May 2020
Average	88.3	75.3
Median	90.0	80.0

Achievementin work-life balance

	Workers who were already teleworking in and before February 2020	Workers who started teleworking for the first time between March and May 2020
Average	101.9	99.8
Median	100.0	100.0

Fulfillment and satisfaction at work

	Workers who were already teleworking in and before February 2020	Workers who started teleworking for the first time between March and May 2020
Average	82.2	77.2
Median	90.0	80.0



※The segments in light blue in the bar charts show the two data sets overlapping.

Source: ” Third JILPT Panel Survey on the Impact of COVID-19 on Enterprise Management 2021”, The Japan Institute of Labour Policy and Training for Figure (1); “Third JILPT Panel Survey on the Impact of COVID-19 on Work and Daily Life 2020”, The Japan Institute of Labour Policy and Training for Figure (2)

(Note) The figures in chart 2 show the average scores reported by workers who were asked to rate their “productivity and efficiency,” “work-life balance” and “fulfillment and satisfaction” of teleworking subjectively on a scale of 0-200 if their “productivity and efficiency,” “work-life balance” and “fulfillment and satisfaction” of working in the office are 100.

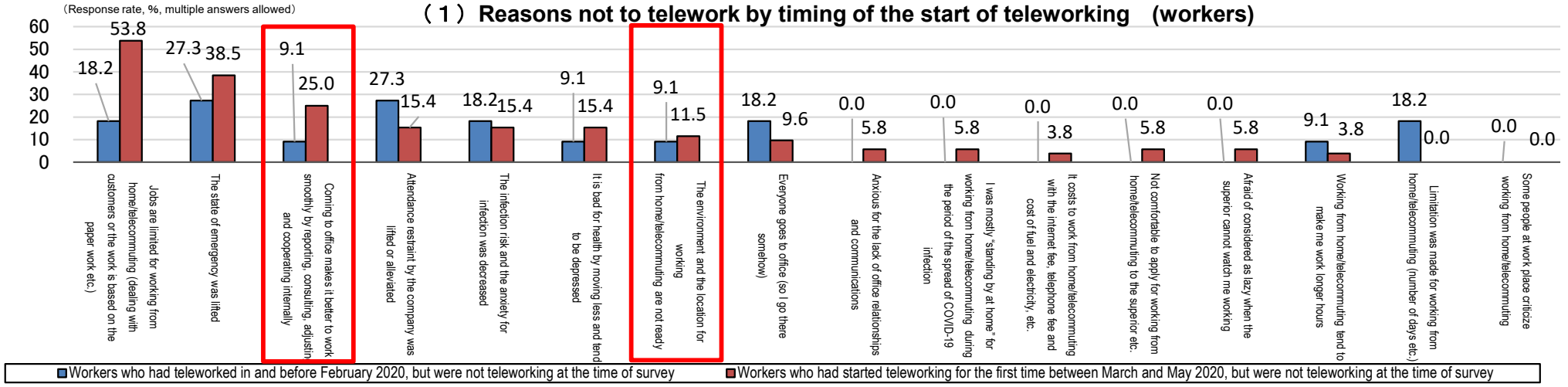
● Reports about the analysis of productivity of teleworking other than this paper

- “Productivity of Working from Home during the COVID-19 Pandemic: Evidence from an Employee Survey”, Masayuki Morikawa, REITI Discussion Paper Series 20-J-034 states that the average score for subjective productivity of teleworking was 60.6 in a study conducted in June 2020 asking employees to evaluate their subjective productivity of teleworking if their productivity of working at the workplace was 100. The report also states that the average score among employees who were already teleworking before the pandemic was 76.8, while the average among those who began teleworking during the pandemic was 58.1.
- According to the report written by Toshihiro Okubo of the Nippon Institute for Research Advancement, or NIRA (2020), on the results of the second survey on telework and employed persons, the average score for workers’ efficiency of teleworking at the time of survey conducted in June 2020 was 83 if their efficiency of working in the office was 100.

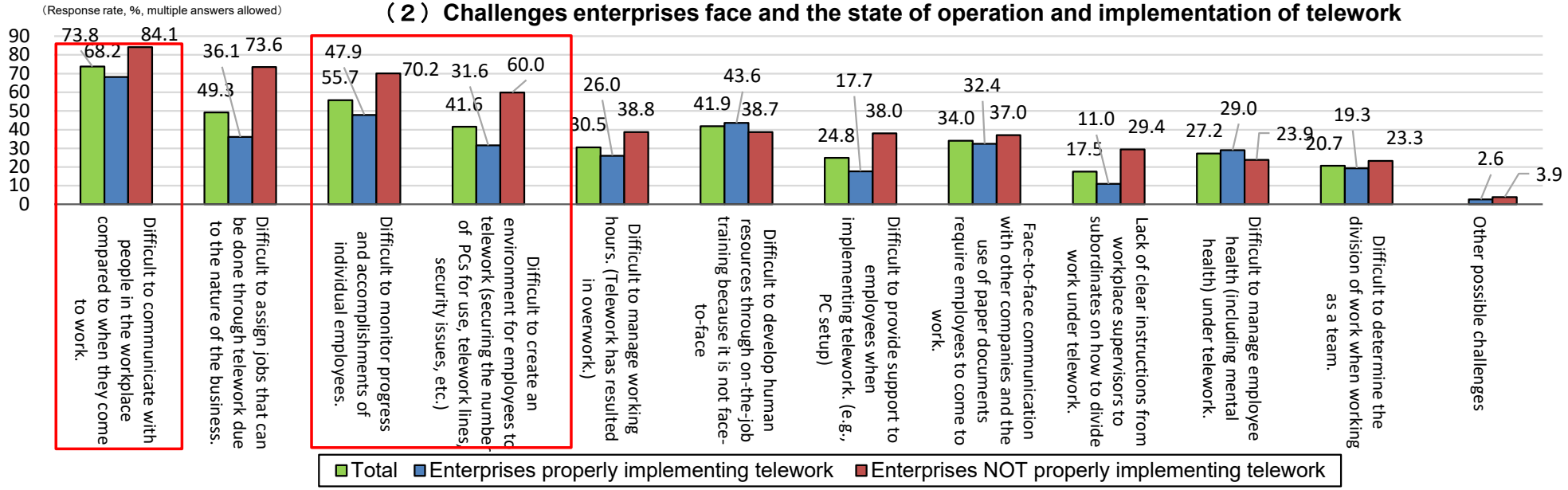
－Telework Trends (Challenges of Making Telework the New Normal)－

- Besides factors that are beyond control of workers and enterprises such as the nature of work and the impact of infection, many workers cite matters (in red boxes in the chart below) that can be resolved through labour-management efforts as reasons why they have stopped teleworking. Such matters include how to proceed with the work while teleworking and setting up a suitable teleworking environment. Workers who began teleworking in April and May 2020, when the country was under a state of emergency, in particular, tend to cite such issues as reasons for ending telework. Enterprises also see similar matters as challenges for them, and the proportion of such companies is high.

（１）Reasons not to telework by timing of the start of teleworking (workers)



（２）Challenges enterprises face and the state of operation and implementation of telework



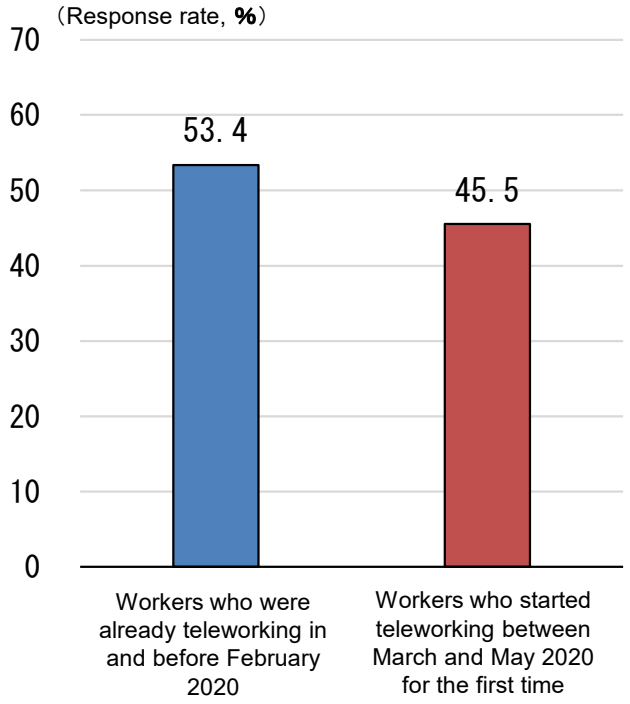
Source: "Third JILPT Panel Survey on the Impact of COVID-19 on Work and Daily Life 2020", The Japan Institute of Labour Policy and Training for Figure (1); Third JILPT Panel Survey on the Impact of COVID-19 on Enterprise Management 2021", The Japan Institute of Labour Policy and Training for Figure (2)

Ⅱ－3 —Challenges of Making Telework the New Normal (How Communication during Telework Affects Productivity and Job Satisfaction, etc.)—

- When asked whether they maintain good communications with superiors and subordinates about how to proceed with the work while teleworking, workers who were already teleworking before the pandemic are more like than those who began teleworking during the pandemic to answer yes.
- Workers who answered yes to the said question reported higher scores than those who said no when asked to rate their “productivity and efficiency” and “fulfillment and satisfaction” of teleworking” on a scale of 0-200. The declines in scores were smaller among workers who answered yes than those who said no.

Analysis of workers who responded yes and those answered no to the question asking whether they maintain good communications about work organization with superiors and subordinates while teleworking

Percentage of workers who think they communicate well with their superiors and subordinates by timing of the start of teleworking

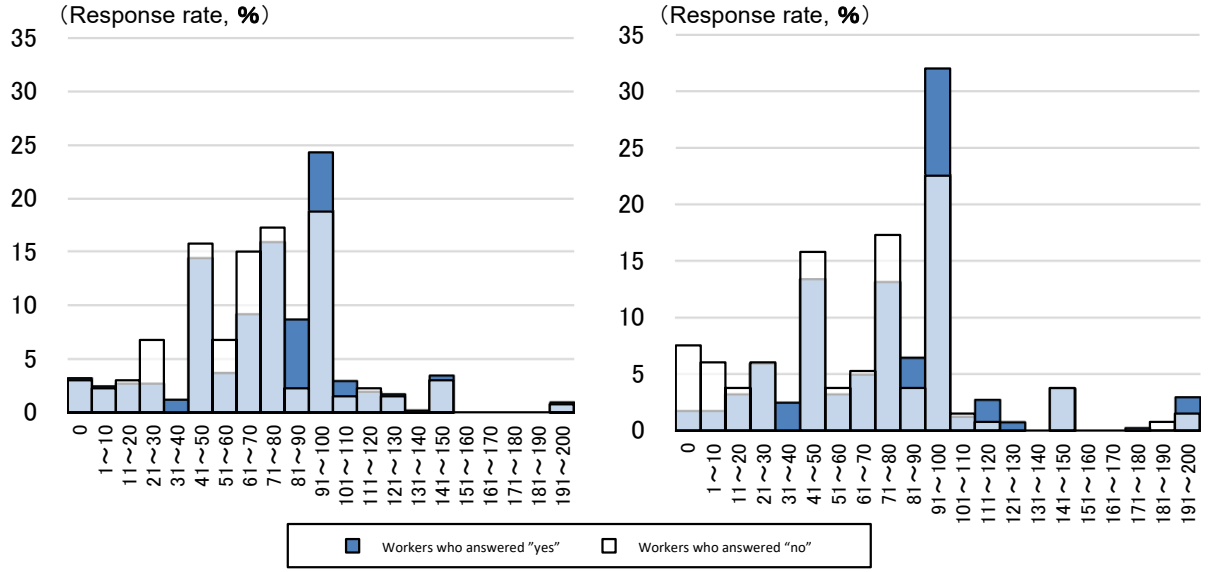


Productivity and efficiency at work

	Workers who answered yes	Workers who answered no
Average	78. 1	72. 3
Median	80. 0	70. 0

Fulfillment and satisfaction at work

	Workers who answered yes	Workers who answered no
Average	81. 5	69. 2
Median	85. 0	75. 0



※The segments in light blue in the bar charts show the two data sets overlapping.

Source: “Third JILPT Panel Survey on the Impact of COVID-19 on Work and Daily Life 2020”, The Japan Institute of Labour Policy and Training
(Note) The figures in the charts above show the average scores reported by workers who were asked to rate their subjective “productivity and efficiency” and “fulfillment and satisfaction” of teleworking on a scale of 0-200 if their “productivity and efficiency” and “fulfillment and satisfaction” of working in the office are 100.

Ⅱ－3 —Challenges of Making Telework the New Normal (How Work Procedure during Telework Affects Productivity and Job Satisfaction, etc.)—

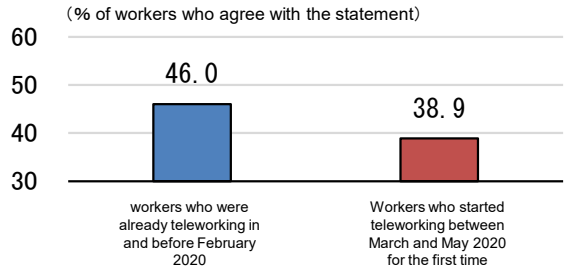
- Workers who were teleworking before the pandemic are more likely than those who began teleworking for the first time during the pandemic to agree with the following statements about work organization while teleworking: the scope of work responsibility and deadlines are clearly defined, workers are given a certain degree of discretion to work autonomously, and evaluation standards are clearly defined.
- Workers who agree with the said statements reported slightly higher average scores than those who disagree, when asked to rate their "productivity and efficiency" and "fulfillment and satisfaction" of teleworking on a scale of 0-200.
  (Workers who agree with the statements also reported a higher median score for a certain indicator.)

※ The average and median scores reported by respondents in both groups (those who agree with the statement and those who disagree) were below 100.

Percentage of workers agreeing with each statement by timing of the start of teleworking and levels of productivity and satisfaction

Clarity on the scope of work responsibility and deadlines

To proceed the daily work, I am told by the superior etc. about my work scope or deadline precisely.

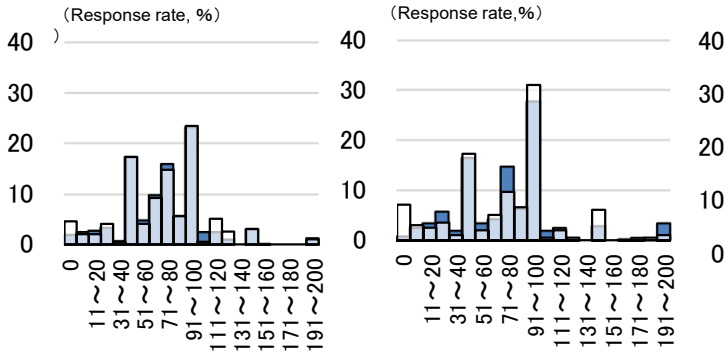


Productivity and efficiency at work

	Workers who agree with the statement	Workers who disagree with the statement
Average	77.2	76.5
Median	80.0	80.0

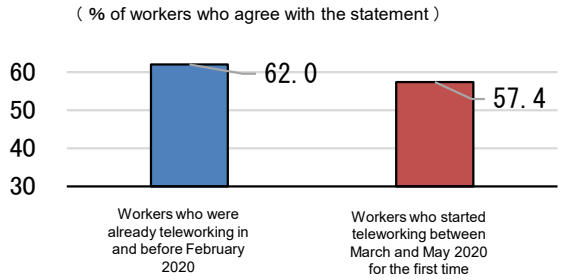
Fulfillment and satisfaction at work

	Workers who agree with the statement	Workers who disagree with the statement
Average	80.5	76.4
Median	80.0	80.0



Discretion to work autonomously

Given some degree of discretion for work instead of receiving the direction from the superior one by one

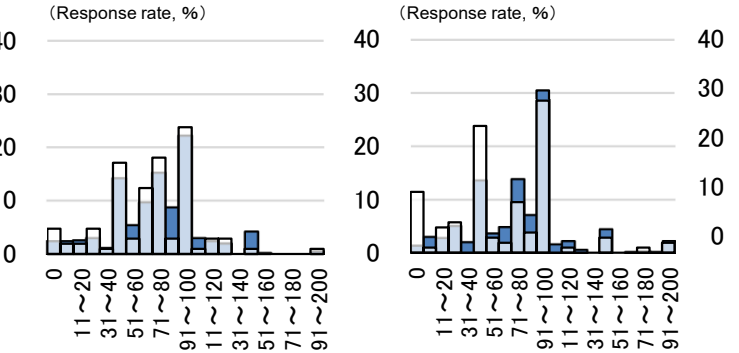


Productivity and efficiency at work

	Workers who agree with the statement	Workers who disagree with the statement
Average	78.3	73.6
Median	80.0	80.0

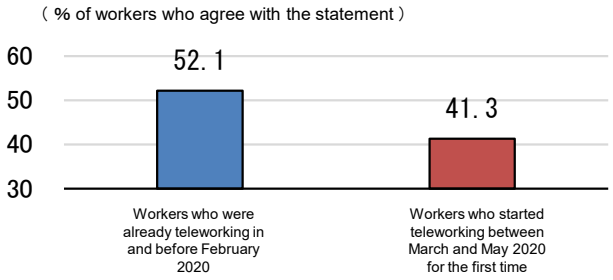
Fulfillment and satisfaction at work

	Workers who agree with the statement	Workers who disagree with the statement
Average	81.4	68.2
Median	80.0	70.0



Clarity on evaluation standards

The standard of evaluation for the work (result) such as the level of the target to reach is set clearly.

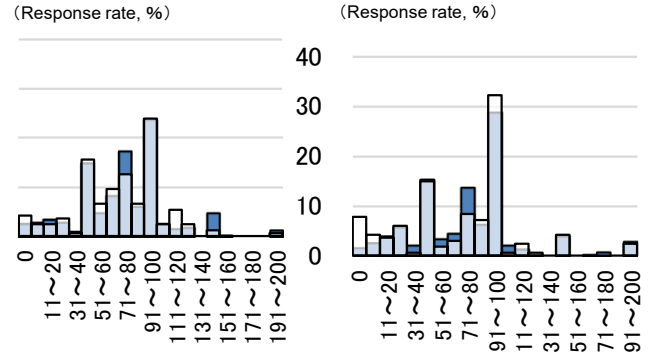


Productivity and efficiency at work

	Workers who agree with the statement	Workers who disagree with the statement
Average	78.4	75.5
Median	80.0	80.0

Fulfillment and satisfaction at work

	Workers who agree with the statement	Workers who disagree with the statement
Average	79.9	74.6
Median	80.0	80.0



Workers who agree with the statement　Workers who disagree the statement

※The segments in light blue in the bar charts show the two data sets overlapping.

Source: "Third JILPT Panel Survey on the Impact of COVID-19 on Work and Daily Life 2020", The Japan Institute of Labour Policy and Training

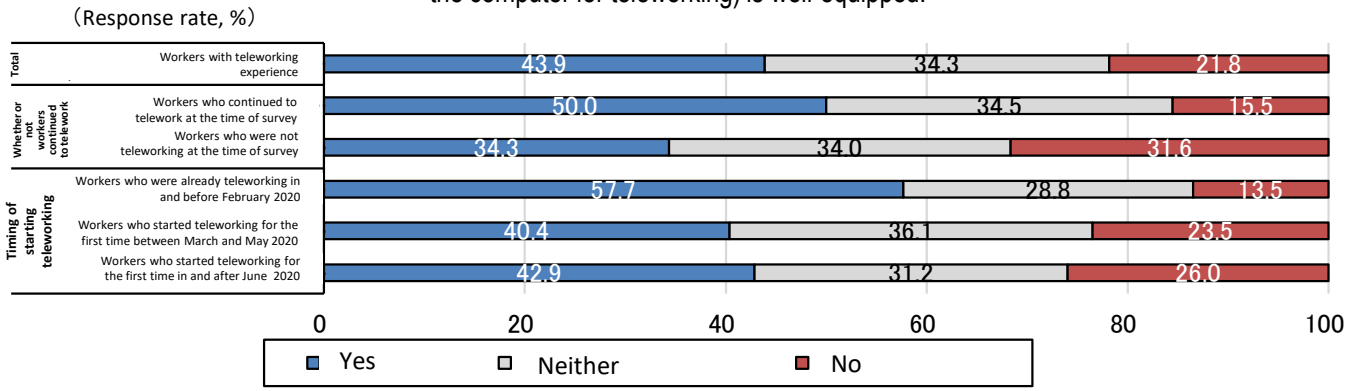
(Note) The figures in the charts above show the average scores reported by workers who were asked to rate their subjective "productivity and efficiency" and "fulfillment and satisfaction" of teleworking on a scale of 0-200 if their "productivity and efficiency" and "fulfillment and satisfaction" of working in the office are 100.

Ⅱ－3 ―Challenges of Making Telework the New Normal (How Setting up an Appropriate Teleworking Environment Affects Productivity and Job Satisfaction, etc.)―

- When asked whether they are well equipped and prepared for teleworking, workers who were teleworking before the pandemic are more likely than those who began teleworking for the first time during the pandemic to answer yes.
- Workers who answered yes to the said question reported higher average and median scores than those who answered no 7when asked to rate their “productivity and efficiency” and “fulfillment and satisfaction” of teleworking on a scale of 0-200.

Telework environment by timing of starting teleworking/ fulfillment and satisfaction at work by response to the question about teleworking environment

The facility for teleworking (internet environment and the performance of the computer for teleworking) is well-equipped.

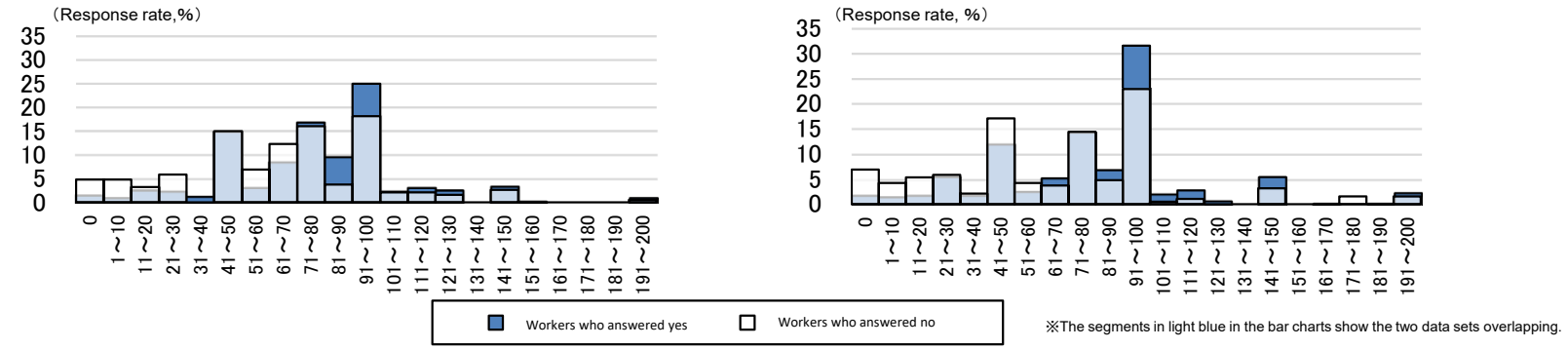


Productivity and efficiency at work

	Workers who answered yes	Workers who answered no
Average	81.7	69.5
Median	80.0	70.0

Fulfillment and satisfaction at work

	Workers who answered yes	Workers who answered no
Average	84.4	69.4
Median	90.0	73.0



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Source: “Third JILPT Panel Survey on the Impact of COVID-19 on Work and Daily Life 2020”, The Japan Institute of Labour Policy and Training

(Note) The figures in the charts above show the average scores reported by workers who were asked to rate their subjective “productivity and efficiency” and “fulfillment and satisfaction” of teleworking on a scale of 0-200 if their “productivity and efficiency” and “fulfillment and satisfaction” of working in the office are 100.